Manitoba

Annual Report
1999 - 2000

Agriculture and Food

Includes 10% post-consumer waste

Minister of Agriculture
and Food

Room 165
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

To His Honour
Peter M. Liba
Lieutenant-Governor for
the Province of Manitoba

Your Honour,

I have the privilege of submitting the enclosed annual report of the Department of Agriculture and Food for the period April 1, 1999 to March 31, 2000.

This document reflects our Department's commitment to serving our clients as our customers. Further, this report also reflects Manitoba Agriculture and Food's commitment to working closely with our sectorial strategic partners to create a more dynamic, growing and prosperous agriculture and agri-food industry in our province.

Producers and farm families provide the foundation for Manitoba's agriculture and agri-food industry, as well as the backbone of our rural economy and society. Consequently, they will continue to be a major focus of our Department's programs and services. We are committed to working more closely with farm families towards maximizing our province's comparative advantages over our international and national competition.

In closing, we hope that the reader will find our annual report useful in identifying our Department's wide range of programs and services available to Manitobans.

Yours truly,

Rosann Wowchuk

Rosann Wowchuk
Minister

Manitoba

**Deputy Minister of
Agriculture and Food**

Room 159
Legislative Building
Winnipeg, Manitoba CANADA
R3C 0V8
(204) 945-3734

**Honourable Rosann Wowchuk
Minister of Agriculture and Food
Province of Manitoba**

Madam,

I am pleased to present the Annual Report of the Manitoba Department of Agriculture and Food for the twelve-month period ended March 31, 2000.

Our 1999/2000 annual report re-affirms our Department's conviction that the future prosperity of our agriculture and agri-food industry is based on Manitobans adapting to, and benefiting from, change. In working with our sectorial partners we recognize that if change is strategically and proactively directed, many opportunities can be seized for advancing Manitoba's agriculture and agri-food industry.

We are optimistic about the future of our province's agriculture and agri-food sector. Together, with our strategic partners, Manitoba Agriculture and Food will continue contributing towards building a stronger agriculture and agri-food sector based on a more profitable, sustainable, market-oriented, value-added and diversified industry.

We look forward to working closely with agri-food stakeholders in advancing our agri-food industry into the next century.

Respectfully submitted,

**Don Zasada
Deputy Minister**

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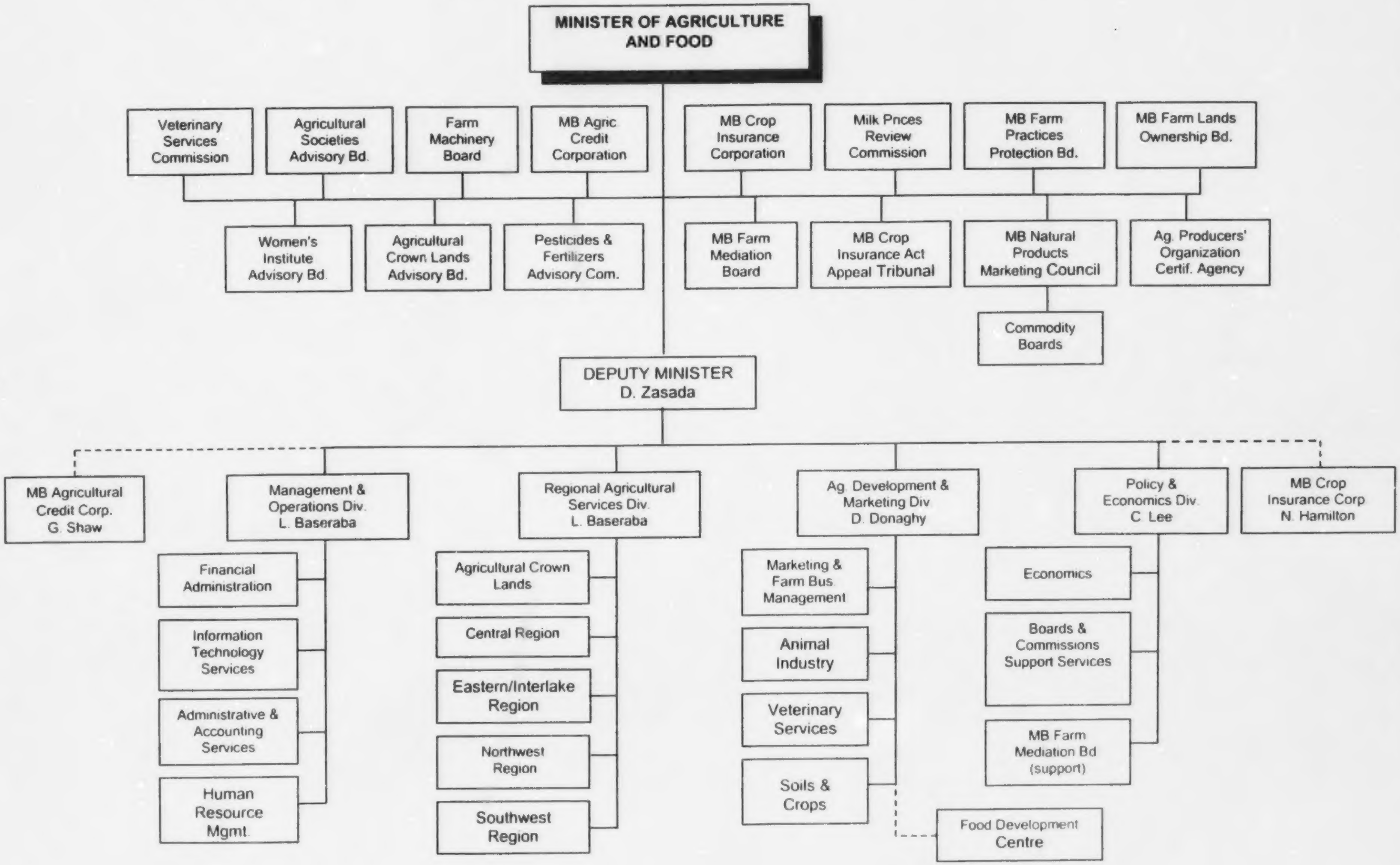
ORGANIZATION CHART OF MANITOBA AGRICULTURE AND FOOD


MINISTER OF AGRICULTURE AND FOOD
Veterinary Services Commission
Agricultural Societies Advisory Bd.
Farm Machinery Board
MB Agric Credit Corporation
MB Crop Insurance Corporation
Milk Prices Review Commission
MB Farm Practices Protection Bd.
MB Farm Lands Ownership Bd.
Women's Institute Advisory Bd.
Agricultural Crown Lands Advisory Bd.
Pesticides & Fertilizers Advisory Com.
MB Farm Mediation Board
MB Crop Insurance Act Appeal Tribunal
MB Natural Products Marketing Council
Ag. Producers' Organization Certif. Agency
Commodity Boards
DEPUTY MINISTER D. Zasada
MB Agricultural Credit Corp. G. Shaw
Management & Operations Div. L. Baseraba
Regional Agricultural Services Div. L. Baseraba
Ag. Development & Marketing Div. D. Donaghy
Policy & Economics Div. C. Lee
MB Crop Insurance Corp N. Hamilton
Financial Administration
Information Technology Services
Administrative & Accounting Services
Human Resource Mgmt.
Agricultural Crown Lands
Central Region
Eastern/Interlake Region
Northwest Region
Southwest Region
Marketing & Farm Bus. Management
Animal Industry
Veterinary Services
Soils & Crops
Food Development Centre
Economics
Boards & Commissions Support Services
MB Farm Mediation Bd (support)

PREFACE

Purpose and Organization of the Annual Report

This report was prepared by the Manitoba Department of Agriculture and Food to summarize the activities and accomplishments of the Department during the 1999/2000 fiscal year.

There are three major sections included within this report. The first main section describes the activities, expenditures and accomplishments of the Department according to sub-appropriation number.

The second major section contains summary tables comparing actual 1999/2000 expenditures and revenues with budgeted estimates for the same year. The 1999/2000 figures are also compared with actual expenditures and revenues for the previous fiscal year.

The last main section includes a five-year historical comparison of expenditures and staffing by appropriation number.

Role and Mission

Mission

The mission of Manitoba Agriculture and Food is: To sustain and enhance the economic and personal well-being of participants within the agriculture and agri-food sector.

Role

In support of this mission, the Department's role is: To provide leadership and a range of services to assist agriculture and agri-food sector participants in creating a sustainable economic climate to improve their net income and general well-being.

It also provides leadership and a range of services to meet its goals economically and efficiently. It is also committed to maintaining and strengthening a technology transfer system that provides meaningful, current and unbiased information to its clients.

Goals

The Department's goals are as follows:

- Preservation and strengthening of family farms in Manitoba.
- Expansion/diversification of agricultural commodities, especially those with potential for value-added processing in Manitoba.

- Development and expansion of market opportunities for primary and processed agricultural products, particularly within international markets or through import replacement.

- Reduction of economic risks for farmers through enhancement and stabilization of farm incomes.

- Conservation and improvement of Manitoba's soil and water resources and the environment.

- Provision of opportunities for younger and beginning farmers to enter agriculture and develop viable farming opportunities.

Sustainable development, community economic development, affirmative action and employment creation are also commitments of Manitoba Agriculture and Food.

Manitoba Agriculture and Food's Guiding Principles

Manitoba Agriculture and Food's philosophy and values are based on a commitment to people -- that is to both its clients as customers and to its own employees. These core beliefs are found within the Department's guiding principles, which are as follows:

Our Clients -- Our #1 Priority
- Serving our clients, who are our customers, is the primary reason why our Department exists.
- Our clients are those we serve -- ranging from farmers and food processors, to Cabinet and other Departments.

Superior Job Performance
- At all employee levels we are committed to excellence, pride and professionalism to achieve a superior job performance.

We Are Part of An Overall Team (A Corporate Perspective)
- We all share a commitment to a greater organization, the Province of Manitoba.
- We all share a commitment to being part of a greater organization, our Department, which takes precedence over any of its "parts."
- At all employee levels we strive to understand our individual roles within our Department's overall mission, goals and guiding principles.

Our Public Trusteeship Role
- We are entrusted with funds and property owned by and managed for, the public we serve.
- At all employee levels we are committed to ensuring that we make the most effective and efficient use of the public's resources entrusted to our care.
- We are committed to ensure that the public receives maximum value for every tax dollar we spend.

Of note, the public trusteeship guiding principles listed above are reflective of the Province's fiscal management priorities -- especially within the general areas of responsible public spending, as well as efficient and accountable government.

Motivation, Morale and Recognition Strategy

In 1998, Manitoba Agriculture and Food developed and launched a Motivation, Morale and Recognition Strategy to meet the needs of staff and address the challenges of public sector organizational culture. A formal peer recognition program forms the basis of the strategy. Under the program, individuals or teams are recognized and rewarded for their achievements in:

- developing innovative programming with a process to serve clients better;
- demonstrating tireless dedication to their work and striving for excellence;
- enhancing the work experience of themselves and others while remaining committed to quality and client service; and
- providing exemplary commitment to client satisfaction, consistent quality service, and an understanding that their client is number one priority.

The department also embarked on a people-based management initiative as a means to motivate staff and boast morale. Managers within the department recognize that visionary, leadership, communication, informal recognition, personal development, team building and service quality are integral components in the achievement of a highly motivated workforce. A "toolkit" along with training on the basics of people management was developed for Managers.

MANITOBA AGRICULTURE AND FOOD

Executive

Honourable Rosann Wowchuk, Minister

D. Zasada, Deputy Minister

D. I. Donaghy, Assistant Deputy Minister
Agricultural Development and Marketing Division

R. L. Baseraba, Assistant Deputy Minister
Management and Regional Agricultural Services Division

C. E. Lee, Assistant Deputy Minister
Policy and Economics Division

G. O. Shaw, General Manager
Manitoba Agricultural Credit Corporation

N. Hamilton, General Manager
Manitoba Crop Insurance Corporation

Directors/Managers

Administrative and Accounting Services -- D. H. Burch
Financial Administration -- M. Richter
Information Technology Services -- D. Brothers
Human Resource Management Services -- M. R. Robinson
Marketing and Farm Business Management -- D. Gingera-Beauchemin
Animal Industry -- J. Taylor
Veterinary Services – J. Neufeld
Soils and Crops -- B. Todd
Northwest and Agricultural Crown Lands – B. McCannell
Southwest -- W. Digby
Central -- B. Yusishen
Eastern/Interlake -- A. Dickson
Economics -- G. A. Fearn
Boards and Commissions Support Services -- G. H. MacKenzie
Manitoba Farm Mediation Board -- H. Nelson

PART A

PROGRAM AND FINANCIAL INFORMATION

Administration and Finance (1)

The Administration and Finance Division assists the Department in planning operational policies and programs. It ensures that the Department's activities are implemented efficiently and effectively. It also provides central support service to management and staff.

During 1999/2000, the organization components within this Division were Financial and Administrative Services, Information Technology Services and Human Resource Management Services.

Minister's Salary (1a)

This expenditure provides additional compensation to an individual appointed to the Executive Council.

1 (a) Minister's Salary

Expenditures by Sub-Appropriation	Actual 1999/2000 $(000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
Salaries and Employee Benefits	27.0	1.00	27.0	-	
TOTAL EXPENDITURES	27.0	1.00	27.0	-	

Executive Support (1b)

Executive Support is responsible for providing leadership, direction and communication in the effective implementation of Department-wide goals and priorities. A key responsibility of this organizational unit is to advise the Minister on strategic and program options in compliance with government policies. Executive staff also ensure that all Department resources are allocated in accordance with government policies and priorities. The assurance of value for money and efficient and effective program delivery, remained a major Manitoba Agriculture and Food priority of Executive Support.

1 (b) Executive Support

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000		Variance Over / (Under)	Expl. No.
		FTE	$ (000's)		
(1) Salaries and Employee Benefits	450.8	9.00	469.3	(18.5)	
(2) Other Expenditures					
-Grants/Transfer Payments	20.2		15.9	4.3	
-Other	55.8		52.4	3.4	
Total Other Expenditures	76.0		68.3	7.7	
(3) Policy Studies	65.7		71.2	(5.5)	
TOTAL EXPENDITURES	592.5	9.00	608.8	(16.3)	

Financial and Administrative Services (1c)

The Financial and Administrative Services Branch provides financial management and administrative support to Manitoba Agriculture and Food programs. This support is provided by Administrative and Accounting Services, as well as the Financial Administration unit.

The Branch is involved in directing, developing and administering financial support systems, financial planning, control, management and reporting systems in the Department. With the implementation of SAP and the subsequent decentralization of financial authority and operational responsibility, the Branch continues to lead a major initiative to redefine a comptrollership framework for the Department. This initiative will further ensure the efficient utilization and administration of the Province's fiscal and human resources within Manitoba Agriculture and Food.

The Financial and Administrative Services Branch also provides leadership and strategic direction to Service 1st and Treasury Board initiatives, such as Better Methods and Manitoba Measures.

Branch staff process revenue and central based expenditures in accordance with legislative, departmental and Treasury Board requirements, in addition to managing the publications section and coordinating and editing the Department's Annual Report. As well, staff coordinate the procurement card process, asset management, departmental fleet vehicles, parking program, requests under *The Freedom of Information and the Protection of Privacy Act* (FIPPA), the summer student program and the administration of the Agricultural Sustainability Initiative (Covering New Ground) involving 63 agreements, and the Elk Management Fund.

The Financial Administration unit provides management, financial, program and related systems research and analysis for the Department, Cabinet and Treasury Board. Staff compile annual estimates, quarterly cash flows, capital supply estimates, management reports, fund transfers and financial information for various information requirements needed for the Annual Report, Treasury Board reviews and the Legislative Estimates Debate. Staff also provide cash management support for the coordination of cost centre and internal order development.

Accounting Services processed expenditure and transfer payments involving Manitoba Crop Insurance Corporation, Net Income Stabilization Account, Accommodation Cost Recovery, Manitoba Telephone System, Mail Management Agency, Desktop, procurement cards and other special payment requests such as the Manitoba Farm Disaster Assistance Program. With the implementation of SAP in 1999/2000, most expenditure payments were processed at the regional/branch level. Approximately 3,000 transactions in operating and capital expenditures were processed by Accounting Services. All payments were processed electronically, resulting in an average process time of five days with an error rate of less than one percent.

1 (c) Financial and Administrative Services

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	742.5	15.39	756.0	(13.5)	
(2) Other Expenditures	495.4		542.5	(47.1)	
TOTAL EXPENDITURES	1,237.9	15.39	1,298.5	(60.6)	

Information Technology Services (1d)

The objective of the Information Technology Services Branch is to coordinate, plan, implement and manage the required information technology resources to enable the Department to meet its business goals, objectives and opportunities. Along with providing computer management services and expertise for all user levels within the Department, the Branch provides advice to senior management on all information technology related matters. This assistance is aimed at ensuring that information technology resources are applied in a strategic, consistent and economic manner, that address overall Departmental objectives.

Information Technology Services assists with all phases of software development, as well as maintenance and support of existing automated systems. Implementation, training and training coordination are also carried out by staff. The Branch has developed administrative systems used by Department staff and administrative agencies, as well as software used by specialists and extension staff.

The goal of Information Technology is to deliver technological solutions to meet the Department's business needs. Technology is used as a tool to implement business processes and in meeting business needs in a timely manner. In partnership with various Branches within the Department, Information Technology Services continuously reviews initiatives and areas where technology systems could enhance current productivity and meet the future needs of the Department.

During 1999/2000, the Crown Lands Information System (CLIS) was implemented which eliminated many Y2K issues and provided on-line access to data for head office staff. Information Technology staff also worked with Manitoba Agricultural Credit Corporation (MACC) staff to complete a number of enhancements to MACC's Electronic Client Loan Information Profile System (ECLIPS).

In addition, Information Technology Staff also provided technical support for the Department's Web Site. This site has seen substantial growth in the past year and requires an increasing commitment to maintain the underlying technologies supporting the Web Site.

The Year 2000 Project was successfully completed and there were no adverse effects to Agriculture and Food systems. In the course of the project, the Vetstar Animal Disease Diagnostic System (VADDS) was updated to the latest Y2K compliant version and all of Animal Industry Branch systems were upgraded to the latest development software. Over 100 computer applications were tested and certified as being compliant.

1 (d) Information Technology Services

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	373.3	6.00	383.1	(9.8)	
(2) Other Expenditures	69.0		58.8	10.2	
TOTAL EXPENDITURES	442.3	6.00	441.9	0.4	

Human Resource Management Services (1e)

The Human Resource Management Services Branch is responsible for the development, implementation, administration and monitoring of the Departmental human resource programs and systems. Elements of these programs include: recruitment and selection; wage and salary administration; staff training and development; performance review/evaluation; employee relations; personnel records; benefits and payrolls. In addition, the Branch provides planning and consultation, as well as human resource services and assistance to the management of the Manitoba Agricultural Credit Corporation (MACC), the Food Development Centre (FDC) and upon request, to the Manitoba Crop Insurance Corporation (MCIC).

During 1999/2000, Human Resource Management Services assisted in filling 69 positions, as well as assisting with the recruitment of 62 students for temporary employment. The Branch also set up a work study project with the University of Manitoba under the Employment Equity Plan's jurisdiction and was able to recruit one employment equity target group member. Furthermore, two disabled individuals were enrolled under the Worker's Compensation Work Experience Program.

Human Resource Management Services continued to support the French Language Services Plan to ensure French language initiatives meet strategic needs. Agricultural programs and services are offered in French to producers in various French language designated areas throughout Manitoba. The Branch also utilizes a bilingual publication to promote and market the diversity, challenges and career opportunities in the Department, targeted to high school youth.

The Branch continued to administer the Department's pay/benefits system and classification system. It also maintained payroll records for staff, including employees from MACC and FDC. The Branch continued to provide comprehensive human resource services and coordinated leadership for Manitoba Agriculture and Food, Intergovernmental Affairs (Rural Development) and Conservation (Environment), MACC and the FDC.

The Branch continued to focus on specialized training versus general training and in 1999/2000 specialized training focused on areas such as Professional Update, Management Update, Orientation Program, Succession Planning and Respectful Workplace, Desk-top Management and SAP training. The Branch continued to deliver a comprehensive orientation Program in Manitoba Agriculture and Food, Intergovernmental Affairs (Rural Development) and the Department of Conservation (Environment).

The Branch actively participated in the Motivation, Morale & Recognition Strategy for the Department. A customized ToolKit for Managers of Manitoba Agriculture and Food was developed and distributed to all supervisory positions in the Department to encourage managers and help address enhanced staff productivity and retention strategies.

Branch staff assisted in the resolution of various labour relations issues in consultation with Department management, supervisors and employees as well as, Labour Relations and the Manitoba Government Employees Union.

1 (e) Human Resource Management Services

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	258.4	5.00	265.9	(7.5)	
(2) Other Expenditures	50.7		50.7	-	
TOTAL EXPENDITURES	309.1	5.00	316.6	(7.5)	

Risk Management and Income Support Programs (2)

Manitoba Crop Insurance Corporation (2a)

The Manitoba Crop Insurance Corporation (MCIC) is responsible for the development and delivery of the all risk Crop Insurance Program as provided for in *The Crop Insurance Act*.

During 1999/2000, about 13,300 producers (10,300 separate production units) were insured. Insurance was provided on over 40 crops, covering about 7.7 million acres. Over 80% of the cultivated acres in Manitoba are covered by crop insurance.

MCIC administers the Wildlife Damage Compensation Program, under which producers are compensated for damage to agricultural products caused by big game animals and migratory waterfowl. Compensation is also paid for domestic animals killed or injured by predators.

MCIC offers separate hail insurance to those producers who are enrolled in the Crop Insurance Program. Producer premiums cover all of the related costs, including administration.

Although the Gross Revenue Insurance Program (GRIP) was terminated in Manitoba at the end of the 1995/1996 crop year, MCIC continues to be involved in finalizing the program.

MCIC's 1999/2000 activities and financial results are summarized in the MCIC Annual Report.

2 (a) Manitoba Crop Insurance Corporation

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
Grants/Transfer Payments:					
(1) Administration	3,359.4	98.00	4,312.6	(953.2)	1
(2) Premiums	27,168.0		29,600.0	(2,432.0)	2
(3) Wildlife Damage Compensation	934.4		1,000.0	(65.6)	
TOTAL EXPENDITURES	31,461.8	98.00	34,912.6	(3,450.8)	

1. *The variance under authority was mainly the result of a) reduced adjusting expenses due to the lower than budgeted number of claims, b) permanent, term and casual salaries and related benefits were reduced due to the lower than budgeted number of claims, vacancies, and position reclassifications and c) lower legal costs, grading costs, information technology expenditures, and higher cost recoveries.*
2. *The variance under authority was mainly the result of the unseeded acres due to excess moisture in the Southwest portion of the province.*

Net Income Stabilization Account (2b)

The Net Income Stabilization Account (NISA) provides producers of grains, oilseeds, special crops, edible horticulture crops, cattle, hogs and most livestock, with comprehensive, predictable and individually-targeted net income stabilization. The program, initiated during 1991/1992 for the 1990 farm tax year, is administered by a federal NISA Administration. Producers pay approximately 60% of the administration cost, with the balance paid by the federal government.

NISA assisted producers with management and planning, by encouraging funds to be set aside into their individual account in good years, for withdrawal in poor years. Producers were entitled to contribute up to three per cent of their eligible net sales, which is matched by governments on a cost sharing arrangement involving two-thirds federal contributions and one-third provincial contribution.

In addition, farmers can contribute up to an additional 20% of eligible net sales to their account. These funds are not matched by governments. All of the producer contributions earn a bonus of three per cent interest over market rate. The funding for the bonus interest of three per cent is shared equally by the federal and Manitoba governments.

During the 1999/2000 fiscal year (1998 stabilization tax year), 19,352 Manitoba producers, representing $2 billion of eligible net sales (approximately 91% of Manitoba's total), participated in the program (averaging $105,157 in eligible net sales per participant). Manitoba producers made new deposits of $48 million and provincial and federal NISA contributions for Manitoba farmers were approximately $48 million. Manitoba farmers had $417 million in NISA accounts on March 31, 2000 (averaging about $21,400 per participant). In 1999/2000, 5,281 producers withdrew $62 million from their accounts, averaging $11,707 per producer withdrawal.

2 (b) Net Income Stabilization Account

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments	19,775.1		18,500.0	1,275.1	1
TOTAL EXPENDITURES	19,775.1		18,500.0	1,275.1	

1. The variance over authority was mainly the result of an increase in eligible net sales and participation.

Manitoba Agricultural Credit Corporation (3)

The Manitoba Agricultural Credit Corporation (MACC) operates under *The Agricultural Credit Corporation Act*. MACC's purpose is to participate in meeting the financial requirements of primary agricultural producers and the agricultural industry, thereby contributing to the economic stability and global competitiveness of the farm community and the well being of the province as a whole. The Corporation meets these financial requirements by providing direct loans, operating loan guarantees, feeder association guarantees and diversification loan guarantees to Manitoba farmers. As requested, MACC delivers emergency and special assistance programming to Manitobans. Special emphasis is placed on the young, beginning and/or expanding farm operations. Equally important is MACC's role in farm diversification and value-added production, which are vital to the stability and future of many rural communities.

MACC's Young Farmer Rebate offers eligible young farmers (39 years of age and under) a two per cent rebate on the first $100,000 of MACC loan principal, for each of the first five years of the loan, to a lifetime maximum of $10,000. In 1999/2000, MACC clients earned rebates totalling $1.3 million.

During the 1999/2000 fiscal year, MACC recorded the highest program activity in its history. Program activity includes the following:

Direct Lending	$74.7 million
Comprehensive Refinancing Loans	$ 2.6 million
Manitoba Producer Recovery Loans	$18.3 million
Flood Proofing Loans	$ 8.5 million
Diversification Loan Guarantees	$18.2 million
Manitoba Cattle Feeder Associations Loan Guarantees	$22.4 million
Guaranteed Operating Loans	$22.3 million

The downturn in the agriculture and agri-food industry resulted in farmers requiring access to capital, on reasonable terms and conditions, to maintain their farm units. MACC responded with a Five Point Plan in 1998/1999 that included enhancements to many of its existing programs and involved the introduction of the Manitoba Producer Recovery Program. This Five Point Plan continued into 1999/2000.

The Corporation's specific 1999/2000 lending activities and financial data are detailed in MACC's Annual Report.

3 Manitoba Agricultural Credit Corporation

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments:					
-Administration	3,959.9	49.00	3,547.9	412.0	
-Net Interest Cost & Loan Guarantees	(45.6)		1,800.0	(1,845.6)	1
-Provision for Impaired Loans	855.4		800.0	55.4	
-Special Farm Assistance	53.5		100.0	(46.5)	
-Flood Proofing Loan Assistance	371.5		1,418.8	(1,047.3)	2
-Manitoba Producers' Recovery Program	3,537.9		1,788.6	1,749.3	3
TOTAL EXPENDITURES	8,732.6	49.00	9,455.3	(722.7)	

1. *The variance under authority was the result of a) Young Farmer Rebate costs deferred with the loan deferral program, b) loan volumes and an overall increase in loan portfolio and c) property revenue income (including gains on sale of property) were higher than estimated.*

2. *The variance under authority was mainly the result of a) less client loans due to the introduction of the additional $30,000 claim portion, b) lower than anticipated provision expense due to reduced client loan balances and c) lower than anticipated interest expense.*

3. *The variance over authority was mainly the result of an average in the provision for impaired loans due to the greater than anticipated activity.*

Agricultural Development and Marketing (4)

The Agricultural Development and Marketing Division provides specialist services to field staff and producers. The Branches within the Division are Marketing and Farm Business Management, Animal Industry, Veterinary Services, and Soils and Crops.

Marketing and Farm Business Management (4a)

The objective of the Marketing and Farm Business Management Branch is to strengthen the competitive position of Manitoba's agriculture and agri-food industry in the global marketplace. In support of this objective, the Branch provides reliable and unbiased marketing and farm business management services and information, facilitates industry promotion through collaboration and alliances, and partners in building a more diversified rural Manitoba through leadership development of youth, families and communities. The Marketing and Farm Business Management Branch is committed to excellence in information dissemination, consultation and training on a province-wide basis. Timely delivery of programs and services is supported with media promotion, reference materials, publications and other resources.

The Branch achieved a variety of results in the following areas during 1999/2000:

Agricultural Societies

Agricultural Societies are the longest standing organization in many rural communities. Their objectives include the improvement in agriculture, horticulture, home living and the useful arts, as well as promoting the progress of any component of agriculture.

Agricultural Societies provide a focal point to educate both urban and rural constituents about agriculture and offer leadership training opportunities. Some of these leadership training opportunities include Dauphin's "Challenges of Production" days where the Beef Prospects program was launched this past year.

Many Agricultural Societies also participate in various agriculture awareness activities such as Brandon's Provincial Exhibition school tours, Red River Exhibition's Farm Family of the Year program, and numerous displays and activities at fairs and exhibition trade shows.

Agricultural Societies partner with other organizations, such as 4-H and the Manitoba Women's Institute, as well as Manitoba Agriculture and Food staff on seminars, tours, courses and educational displays. Other community organizations and local governments also derive direct economic benefits from the agricultural society's activities such as their fairs and exhibitions.

In Manitoba there are 62 agricultural societies, comprised of about 15,000 members, who volunteer their time for their society. It is estimated that over 160,000 people attend the fairs and exhibitions annually, generating over $1 million of revenue into rural Manitoba.

The Department provided grant assistance of $368,400 to agricultural societies for fairs, exhibitions, educational events, as well as building improvements and equipment purchases. Along with the general administration of the program, grant assistance is provided to the Manitoba Agricultural Hall of Fame, the Manitoba Light Horse Association, and the Canadian Western Agribition.

The Department is responsible for the administration of *The Agricultural Societies Act*, which includes the activities of a Superintendent. As well, the Superintendent is responsible for the Century Farm Program and works in the program areas of leadership and community development with the Manitoba Association of Agricultural Societies Advisory Board.

Century Farm Program

The Century Farm Program recognizes and honours pioneer farm families who have maintained a farm in one family for 100 consecutive years.

In 1999, 80 farm families were nominated to receive awards. Gate signs, certificates and official presentations took place around the province, giving the families well deserved recognition for their contribution to Manitoba's agriculture and agri-food industry. Over 1,100 Manitoba farm families have been recognized through the Century Farm Program. Manitoba Agriculture and Food works with the Manitoba Historical Society in determining the eligibility of the nominees.

Asia Pacific Foundation

The Department supports programs of the Asia Pacific Foundation (Manitoba office), through a yearly grant of $40,000 as well as $10,000 'in-kind' contributions by staff. This support is accomplished by partnering with Asia Pacific Foundation staff in delivering workshops and speaker opportunities relating to cross-cultural training, networking opportunities, media and educational programs as well as information databases.

Home Economics

The objective of the Home Economics Section programming is to assist rural and farm families and communities to reach their goals during changing times and technologies. These programs and services are developed recognizing that family-based decisions are key to the viability and sustainability of family farms and value-added businesses.

Given that 31% of Manitoba farmers are age 55 or over, a significant number of farm transfers will be completed over the next ten years. The Home Economics Section works closely with the Farm Management Section and agri-food industry partners, in developing and delivering family farm business transfer programs:

1) **Managing the Present Planning the Future resources**

    - **The 11-module binder and facilitator guide was made available to staff through one training event held in co-operation with Farm Management. The guide was used by staff in Farm Transfer Events, which attracted over 110 farm families.**

    - **Three articles were contributed to "The Road Ahead" news column in the Manitoba Cooperator newspaper.**

2) **Family Farm Business Advisor Manual, CD and seminars**

- The target audience includes professionals (lawyers, accountants, insurance agents, farm management consultants/ specialists, and home economists) who work directly with farm families.

- There were 125 professionals who attended one of two training seminars and/or purchased the manual for the first time; 124 professionals purchased manual updates.

Support to entrepreneurial and rural value-added business development is a priority in helping farm families diversify their incomes. In this regard, the Home Economics Section provides technical information and assistance in building leadership and management skills. Section activities and resource development in support of value-added/diversification included:

- "Agriculture: Producers Making It Happen" conference; organized as a result of evaluations from the 1999 conference; 120 producers and industry stakeholders were made aware of the process for initiating value-added processing from farm groups and businesses in their communities;

- Following the "Agriculture: Producers Making It Happen" and the "Agriculture: The Next Generation" conferences, resources have been developed including conference videos, conference proceedings and teaching guides covering "The Process for Initiating Value Added Initiatives" and "Closed Cooperatives";

- "Kitchen to Market Pack" (The Blue Box) - 25 original Blue Boxes were updated; three new resources added totaling over 100 entrepreneurial, business and food product development resources. Copies of the video, "What You Need to Know" were updated and distributed to Blue Box holders, libraries, partners and government departments; and

- A new teaching package "Value Added Process and Resources for Small Acreage Possibilities" was developed. A total of seven major value added/consumer trends presentations were delivered to 232 clients and 350 individual consultations were administered.

The Home Economics Section delivered a variety of messages to consumers with a strong focus on food safety and quality:

- Eight safety/biotechnology presentations were delivered to 470 clients and staff.

- Membership in the Canadian Partnership in Food Safety Consumer Education 1999/2000 campaign resulted in distribution of *Fight Bac* educational materials to grocery retailers and community groups. As well, three television stations aired public service announcements during the Pan Am Games.

- Three consumer fact sheets, "You and the Hazards in Our Food"; "How Safe is Our Food"; and "Handling Food at Home" were revised and posted on the Internet.

- A new display and activity sheets entitled "Where's Agriculture?" were developed and reached over 1,500 families at six events. As well the "Where in the World" display delivered at three events, served as a showcase for Manitoba foods.

- Four brochures from the "Living with Livestock Production" series were developed in conjunction with Animal Industry Branch and other stakeholders; they were: Surface Water Issues, Livestock Odours, Sources, Concerns & Solutions, Health Issues Livestock Production, and Nitrates in Soil and Water.

Risk communication skills training remains a high priority for staff, producers and industry. Two training events were delivered to 37 participants in Municipal Administration. As well, a study group of regional staff and partners was developed and two training sessions were delivered.

Department representation on the Manitoba Women's Institute Provincial Board is provided by the Home Economics Section. The Board's primary focus is on organizational change and leadership development. The Manitoba Women's Institute was granted $35,300 for programming. Support was given to the 13th Manitoba Farm Women's Conference which attracted 256 participants, 14 rural entrepreneurs for the Mini Market and featured Pamela Wallin as keynote speaker.

Manitoba Agriculture and Food strongly supports community education and activities to prevent farm injury and fatalities. Such support involved: The Farm Equipment Operators course, an initiative designed to meet training needs for new or inexperienced farm workers and newly diversified farm businesses; and promotion, facilitation and implementation of provincial farm safety projects partially funded through the Canadian Agriculture Safety Program (CASP). In 1999/2000, CASP contributed $36,750 towards Manitoba farm safety projects.

Facilitation of leadership development and program activities were conducted with community-based farm safety partners including Manitoba Farmers with Disabilities, five Farm Safety 4 Just Kids Chapters and 4-H groups.

- Manitoba Agriculture and Food's Provincial Farm Safety Coordinator provides leadership to national initiatives as the Chair of the Canadian Coalition for Agriculture Safety and Rural Health.

Farm Stress Management initiatives to assist farm families with demands of adaptation and change included: two staff training events; seven presentations to 160 individuals; and development of eight factsheets entitled the *Human Harvest* posted on the Internet.

4-H and Youth

The objectives of the 4-H and Youth Section are: to provide rural adults and youth with the opportunity to develop technical, entrepreneurial, communication and leadership skills; to develop a greater understanding of the agriculture and agri-food industry by farm and non-farm adults and youth; and to improve the understanding of farm safety and animal welfare issues.

Staff provided coordination and leadership for 239 4-H clubs in 185 rural and northern communities, involving 4,482 youth and 1,872 volunteers. Over 90,000 copies of resource material were made available to those 4-H members and leaders.

The Minister of Agriculture and Food, along with the President of Manitoba 4-H Council and two Junior Directors participated in the signing of the Proclamation of National 4-H Week in November. Recognition certificates from the Minister of Agriculture and Food were awarded to 212 4-H leaders for their long-term commitment to the 4-H program. The 4-H Program enhanced its accessibility to 4-H families by maintaining a page on Manitoba Agriculture and Food's Home Page as well as on Manitoba 4-H Council's web site.

Staff participated in coordinating 27 provincial, inter-provincial, national, and international activities involving 1,037 participants. Major events included the 13th visit of Japanese students to Manitoba and the 13th annual Highway Clean-up Campaign, in which 96 4-H clubs cleaned 1,172 km of highway, picked up 4,453 bags of garbage and raised $20,200. Approximately 70 sponsors supported various programs and activities such as the Careers Conference, Provincial Communications Extravaganza, Scholarships, member travel opportunities, Provincial Dairy Show, Provincial Horse Show and events for visiting Japanese students. In addition, Manitoba hosted the Annual Meeting of the Canadian 4-H Council and showcased the 4-H program at a Royal Rally held by the Stonewall 4-H District.

Manitoba 4-H Council held four meetings in 1999/2000, where junior and senior directors representing all six regions set policies and developed strategies to strengthen the Manitoba 4-H program. A major emphasis of the 4-H program is to develop the leadership and communication abilities of 4-H leaders and members. New initiatives for the year involved adoption of a vision and mission statement for Council, support to the "Where's Agriculture?" display, the development of a new sponsorship package and promotion at the Royal Manitoba Winter Fair. The support of the Manitoba 4-H Endowment Fund Foundation is crucial to the growth of the 4-H program, and therefore the Sponsorship Committee of Manitoba 4-H Council has developed long-range plans to ensure the financial needs of both the Council and the Foundation are met.

A major initiative, the Quality Equation program, was launched in December 1999 involving 133 Manitoba 4-H leaders and 12 out-of-province leaders. This activity was a follow up to the Animal Welfare Animal Rights Education (AWARE) and Animal Welfare Education (AWE) training which had been done in previous years.

Agriculture awareness and promotion is emphasized at 4-H events, as well as schools throughout Manitoba. Rural Roots stations and the seed identification materials were updated. The Accent on Wellness in Agriculture and Rural Environments (AWARE) manual from Saskatchewan Agriculture in the Classroom was provided to each agricultural office and Regional 4-H Specialist for use in school or 4-H presentations. The "Pizza Pizzazz", "Rural Roots" and "Where's Agriculture" displays were used at 32 events.

The Agriculture Curriculum Specialist works closely with Agriculture In The Classroom-Manitoba and Manitoba Education and Training to ensure the agricultural message is utilized in school curriculums. Approximately 150 resources including from Manitoba Agriculture and Food, Biotech, and sustainable development were provided this year to teachers through Special Area Group (SAG) workshops. Support is also provided to District staff, Regional 4-H Specialists, 4-H Clubs and Agricultural Societies to enhance agriculture awareness programs.

Farm safety is also emphasized throughout the 4-H program. The Manitoba 4-H Council resource "Leading the Way" video, continues to be purchased for use throughout Manitoba and other parts of Canada and the USA. The ABC Train the Trainer concept delivered the farm safety message to 500 grade two and 500 grade five students with take home information targeted to parents. District and regional staff continue to work with Farm Safety 4 Just Kids Chapters. Numerous farm safety resources are made available to 4-H clubs for use as part of the club's educational program.

The Northern 4-H Program is supported by the 4-H Specialist in The Pas. Communications, leader training and promotional events were held in The Pas and Flin Flon. Members and leaders were involved in summer camp, the Provincial Horse Show, Agribition, the Careers Conference and the Alberta Leaders Conference. Meetings were held with Northern Affairs to investigate ways to increase 4-H membership in the North. Presentations were made to northern Mayors, Councillors and Recreation Directors to encourage the strengthening of the Northern 4-H Program.

Farm Management

Farm Management focuses on producer self-reliance involving practices directed at maximizing producer net income through effective production, marketing, human resources and financial management. The Farm Management Section supports staff initiatives by providing resource materials on financial management, risk management, estate planning and available agricultural assistance programs.

The Section developed 18 cost of production budgets and nine Information Updates for farmers, Departmental staff, financial institutions, universities and other levels of government. In addition, 29 farm management software programs are being converted to Excel for use by the public and staff.

FarmPlan, a farm financial planning software program, was developed primarily for use by Department staff in assisting farmers. This software tool helps farmers make farm financial management decisions by generating documents such as debt servicing worksheets, a pro-forma net worth statement and cash flow plan. FarmPlan shows farmers the financial direction in which they are going and, most importantly, where they will be financially at the end of the planning period.

Farm Management helped organize and conduct six provincial seminars involving 1,425 participants. Topics included precision farming, intergeneration farm transfer, beef production, organic farming, farming on the Internet and food processing. Specialists also assisted in the organization of the "Agriculture: Producers Making It Happen" Conference, the Direct Farm Marketing conference and the Organic Producers Association of Manitoba conference. Staff organized and delivered two seminars for 114 agricultural lenders as well as participated in 14 seminars involving 521 participants on topics ranging from value-added marketing opportunities to computer use on the farm.

Staff were instrumental in developing Manitoba Beef Prospects, a cooperative initiative between government and industry to promote the strengths and opportunities in Manitoba's beef cattle industry. This initiative was launched in January 2000 and featured fact sheets, brochures and promotional materials containing beef information to producers, processors, marketers, the financial community and government. Specialists also assisted in developing a special Beef Inventory survey.

The Manitoba Farm Transfer Initiative Committee provided the resource material *"Managing the Present . . . Planning the Future"* to people from fifty farm family units through seminars, courses and self-study. This farm succession project was a joint effort with the Home Economics Section. The concept was also used as a base for a series of producer sessions on intergenerational farm transfer that were held in the Northwest Region. The *"Farm Family Business Advisor"* was updated and distributed to 125 professionals.

The Department's Ad Hoc Young and Beginning Farmers Committee, chaired by Branch staff is committed to young and beginning farmers through a review of existing programs and the maintenance, improvement and development of programs specifically targeted to the needs of this client group.

Farm Management Specialists were involved in the use of electronic communications networks; including an agricultural news and market analysis service (Pro Farmer) and the Farm Business Management Information Network (FBMInet), an Internet web site developed to share farm management information across Canada. As well, marketing club activities supported by electronic communications networks emphasized education and information sharing in marketing related areas.

The federal and provincial governments, through the Canadian Farm Business Management Program, provide assistance for the development and delivery of projects designed to enhance farm business management knowledge and skills in Manitoba. During 1999/2000, a new Farm Business Management Agreement was developed by the two governments to extend the Program to March 31, 2002.

Farm Management personnel were actively involved and represented at the Canadian Farm Business Management Council, assisting with the Farm Income Crisis Team and serving on the Succession Advisory Committee.

The Marketing Extension Contact Group was organized to promote the development and sharing of market information and to provide marketing training programs to Manitoba Agriculture and Food staff.

Staff participated in the Investment Working Group of the Memorandum of Understanding on Canada-Manitoba Co-operation in International Business Activity, and collaborated with Agriculture and Agri-Food Canada on developing resources focused at attracting investment into Manitoba's agricultural and agri-food industries.

Farm Management assisted in the development of financial programs to assist farmers affected by extensive rainfall in the spring of 1999. In particular, staff worked cooperatively with Manitoba Crop Insurance Corporation and the Central Region in developing and administrating the 1999 Custom Seeding Program.

Staff responded to a number of inquiries relating to agricultural employment such as Workers Compensation, vacation, overtime and payment of wages.

The objective of the Pork Production Training Committee, which staff worked with, was to identify gaps in education and training in the pork production sector. One of the major tasks of this Committee was the development of a "Pork Production Manager Certificate Program" to address the need for qualified barn/unit managers. In January, ownership of this Certificate Program was transferred to Manitoba Pork Council, the University of Manitoba and Assiniboine Community College for delivery.

Agri-Ventures

The Agri-Ventures Section focuses on new and emerging opportunities to achieve industry growth and business development through enhanced marketing capabilities and increased utilization and commercialization of agricultural commodities.

Agri-Ventures staff provided consultation in new business development, business plan review, business organization assistance, pathfinding services and referrals for financing, agricultural production, technical and regulatory issues and marketing data.

Through the Manitoba Agri-Ventures Initiative (MAVI) program, funding assistance is available to facilitate the development of businesses that will create new uses for agricultural products, add value and develop new markets for agricultural commodities and food production in Manitoba. A total of 22 project applications received approval for the development of information on business feasibility, business planning and market investigation. Types of projects funded included: business planning for traditional livestock operations; marketing specialty beef; processing exotic meats; market development for horticultural crops; special crops; registered seed; new food products; and agri-tourism.

The Agri-Ventures team continued to support inter-government collaboration in collecting, assessing and sharing relevant business, market and sector information under the Memorandum of Understanding on Canada-Manitoba Co-operation in International Business Activity. Over 3,000 Manitoba companies were jointly surveyed to determine export interest and market potential. A new database is under development to highlight business opportunities, market information and intelligence.

Technical and planning support was given to provincial and pan-western projects in technology transfer and resource development. This included the Canadian Nutraceutical Innovations Network Strategic Planning Industry Seminar; the Nutraceutical Conference in Winnipeg and Morden; revision of the Directory of Agriculture and Food Ventures in Manitoba.

Agri-Ventures staff provided technical assistance to groups and producer associations involved in agri-tourism and direct farm marketing. A national agri-tourism network is currently under development and regional agri-tourism networks are at various stages of development in several areas of Manitoba. The 2000 Direct Farm Marketing Conference provided over 150 participants with the opportunity to learn new market trends, share marketing skills, and increase business contacts and connections.

Agri-Ventures staff provided technical information and planning assistance at provincial events including: Ag Days, Horticulture Industry Days, Rural Forum, Ag Expo, and The Red River Exhibition.

Agricultural economic development assistance was also provided to: the Medicinal and Aromatic Plant Association of Manitoba; Organic Producers of Manitoba; Manitoba Herb Society; Manitoba Country Vacations Association; Conseil de developpement economique du Manitoba; Manitoba Ostrich Marketing Co-operative; and Manitoba Industrial Hemp Association.

Client consultation was provided in business analysis, identifying market opportunities and strategic business planning.

Market Development and Promotion

The Market Development and Promotion Section is responsible for market development activities in Canada, the USA, Europe, and the Middle East. In partnership with the industry, the section worked collaboratively in strengthening existing markets and developing new markets for provincially grown and processed agricultural and agri-food products.

The Section provided information, technical presentations and training to producers, processors, marketing boards, commodity associations, staff and industry partners. Staff identified market trends and provided support for incoming and outgoing trade missions, while linking out-of-province buyer interests with Manitoba companies.

Section staff assisted with a number of missions visiting Manitoba to determine expanded or new trade opportunities. Mission activities planned in partnership with industry included groups from Iran, Egypt, Denmark, the Netherlands, the USA and France.

A Manitoba Pork Advantage Trade Mission to the Netherlands in 1999 was conducted in partnership with the industry. Major trade shows like Fieragricola in Italy and the Food Marketing Institute Show in Chicago were used to explore market development options and investment opportunities for Manitoba agri-business.

Staff partnered with non-traditional livestock producer associations to investigate the establishment of a European Union (EU) certified meat processing plant in the province for ostrich, wild boar, goat, sheep, horse, gourmet beef, specialty pig, bison and elk.

A trade mission including industry representatives to the USA in 1999 highlighted the Manitoba Pork Advantage at World Pork Expo. The Manitoba Pork Advantage was also featured at Manitoba Ag Days, Rural Forum, the Union of Manitoba Municipalities Annual Meeting and Ag Expo.

The Section coordinated and supported producer participation in World Dairy Expo '99 held in Madison, Wisconsin, to promote Manitoba forages and dairy cattle. This trade initiative was linked closely to the work on the development of a Manitoba Forage Advantage.

The Section provided assistance to Peak of the Market in the development of vegetable industry market information and participation in the USA Producer Marketing Association trade show in Atlanta and the 75th Canadian Produce Marketing Association trade show in Calgary, to promote Manitoba vegetables to national wholesalers, retailers and distributors. In partnership with industry, staff explored market opportunities for oriental-style vegetables produced in Manitoba and initiated promotional initiatives.

The Section was involved in planning for the provincial Hemp 2000 Speaker series and Trade Show as well as the provincial Nutracutical Conference, both held in Winnipeg for the first time.

Technical support was provided to the Manitoba Seed Growers Association in analysis of a research study on the profile and economic impact of the registered seed industry in Manitoba. The work will result in a marketing strategy and assessment of export trade opportunities.

The Section conducted assessments on priority and emerging markets in keeping with the Federal/Provincial Market Development Council (FPMDC) initiatives on Market Information and Intelligence, Export Target 2005, Export Readiness and Strategic Planning, and Regional Trade Network initiatives. The Section participated in the USA and European sector teams for the Canadian International Business Strategy (CIBS), providing input into the national program to reflect needs and concerns of Manitoba's agriculture and agri-food sector.

Support to the Federal/Provincial Investment Committee focused on inter-provincial coordination of activities to enhance investment in primary agriculture and the agriculture and agri-food sector. This included assessing existing programs supporting investment and identifying gaps and shortcomings. The Section worked with North American Agricultural Marketing Organization (NAAMO) to compare trade initiatives, program activities and delivery mechanisms to enhance effectiveness of program delivery.

Border Busters, an export market development initiative, in co-operation with the Manitoba Food Processors Association (MFPA), was supported by staff in partnership with the Market and Industry Services Branch (MISB) of Agriculture and Agri-Food Canada (AAFC). Staff supported inter-governmental collaboration through participation on the Trade Working Group of the Memorandum of Understanding on Canada-Manitoba Co-operation in International Business Activity.

Staff continued to work with the MFPA and the Promotions Committee of Manitoba commodity boards in the promotion of Manitoba food products. This support included participation in and coordination of mall trade shows as well as an official representation on the management committee of the MFPA.

The Section updated resource materials for the Manitoba Pork Advantage, produced new displays, computer presentations, videos, promotional brochures, the MillenniYum Cookbook, Agri-Business CD Rom, reference publications, news releases and the Manitoba Food Products Directory.

Manitoba's hosting of the Pan Am Games presented an opportunity to highlight Manitoba's produce to international clients visiting the province for the event. A focused publication called *Panorama* was developed and distributed. A Pan Am booth was set up by the Department in partnership with the food industry to support Manitoba's food products.

Great Tastes of Manitoba Initiative was continued with the program series on local television networks as well as local print media promotion in partnership with industry and producer associations.

International Trade Section

The International Trade Section with its geographic focus on Latin America and Asia works with other government agencies and producer and processor associations to implement trade support and development programs in those priority markets.

The Section provides marketing and international trade consultation to industry including marketing boards, producer groups, food processors and partners; gathers market information and intelligence from these priority markets and disseminates this information through consultations, presentations and reports.

Key responsibilities of the International Trade Section are:

- to coordinate outbound agri-food trade missions for Manitoba agri-businesses into the Latin American and Asian marketplace;
- to identify trade-access issues and opportunities for the Manitoba agriculture and agri-food industry and to work with industry and government agencies to resolve these issues and capitalize on opportunities;
- to assist in the coordination of foreign buying and inspection for incoming missions to Manitoba's agriculture and agri-food industry;
- to facilitate introductions and networking opportunities between Manitoba agri-business exporters and prospective buyers in Latin America and Asia; and
- to gather and disseminate market information and intelligence.

The Section's primary area of continuing focus is to increase trade awareness and to identify and report on opportunities for Manitoba in the Latin American and Asian markets.

The Section coordinated and participated in 28 incoming missions from Japan, China, South Korea, Taiwan, Mexico, Chile, Argentina and Brazil and three outgoing missions to Brazil, Mexico and Japan/South Korea.

The following are specific trade activities:

- Jalisco Week in Manitoba (a reciprocal event facilitated by the Manitoba and Jalisco joint government Co-operation Agreement).
- Participation in the Expointer Livestock Tradeshow in Porto Alegre, Brazil – the largest livestock show in Latin America.
- Ministerial Agri-Trade Mission to Mexico including stops in Mexico City, Guadalajara, Durango, Nuevo Leon and Chihuahua. The Ministerial Mission to Mexico included the signing of an agreement between the City of Ecatepec and the Brokenhead Ojibway First Nation. The agreement will eventually result in the sale of 40 yearling bison from Manitoba to Ecatepec. The Ministerial Mission to Mexico also set the stage to develop a 4-H youth exchange between the Province of Manitoba and the State of Durango.
- Mission to Japan and South Korea which included participation in the world's largest food show, Foodex 2000 in Tokyo, Japan as well as the Canadian Solo Food Show in Seoul, Korea. The mission also included a major emphasis on promoting Manitoba forages to the Pacific Rim feed industry.

As a result of the trade mission activities, opportunities have been identified for Manitoba pulses, seeds, forages, live dairy and beef cattle as well as genetics, and processed food products.

In addition to trade mission activity, the Section was involved in a major Canadian research study of the Chinese feed industry, the Mexican market for edible oils and Japanese attitudes towards Genetically Modified Organisms (GMO's).

Included in the trade development activities is the continuous maintenance of close working relationships with the provincial and federal agencies of government under the umbrella of Team Canada Manitoba. Section staff participates on the Communication and Co-ordination Working Group of the Memorandum of Understanding on Canada-Manitoba Co-operation in International Business Activity.

In support of the Canadian International Business Strategy (CIBS), the International Trade Section also actively participates on the Federal/Provincial Agri-Food Strategy Development Core Teams for the priority markets of Mexico, Brazil, Japan, Korea, Taiwan and China/Hong Kong.

An integral part of Manitoba Agriculture and Food's trade development strategy is to encourage, develop and facilitate strong alliances amongst buyers and sellers, as well as government agencies located within target market areas.

To enhance this process, Manitoba Agriculture and Food together with Manitoba Trade, developed Co-operation Agreements with various state governments in Latin America. These agreements identify activities both governments and their respective agencies can undertake to facilitate networking opportunities between agri-businesses leading up to increased agri-product trade. Agreements were reached with the state of Rio Grande do Sul in Brazil, the state of Buenos Aires in Argentina as well as the states of Jalisco, Chihuahua and Nayarit in Mexico.

4 (a) Marketing and Farm Business Management

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	1,723.4	34.04	1,797.9	(74.5)	
(2) Other Expenditures	1,269.2		1,231.8	37.4	
(3) Agricultural Societies Grant Assistance					
-Grants/Transfer Payments	349.6		368.4	(18.8)	
(4) Other Grant Assistance					
-Grants/Transfer Payments	79.1		82.6	(3.5)	
TOTAL EXPENDITURES	3,421.3	34.04	3,480.7	(59.4)	

Animal Industry (4b)

The Animal Industry Branch provides technical support, specialized services and information to regional extension staff, the livestock processing industry and producers. These services are aimed at enhancing the development, productivity, diversification and skills of Manitoba's livestock producers and processors. The Branch also administers regulations pertaining to *The Dairy Act, The Margarine Act, The Livestock Industry Diversification Act, The Livestock and Livestock Products Act and The Animal Liability Act.* The Branch is comprised of three sections: Livestock Development & Diversification, Food Quality & Product Development and Production Quality & Safety.

All sections are engaged in comprehensive extension activities through the support and co-operation of regional extension staff. Staff attend regional producer meetings and serve as speakers or technical advisers at workshops and demonstrations. They also conduct on-farm and telephone consultations. Timely, technical information is disseminated through publications, news releases and the media. Staff continued to upgrade Manitoba Agriculture and Food's Website, and copies of numerous publications are now available on the Internet.

Staff are involved at the national level in the implementation of the "Blueprint for the Canadian Food Inspection System" which was approved by the Ministers of Agriculture in 1994. In particular, staff worked on the development of harmonized national legislation for food, the dairy sector regulation and code, the meat regulation and code and the food retail and food services regulation and code.

Livestock Development & Diversification Section

The role of this Section is to co-operate with industry to develop and deliver programs that will have maximum impact on animal agriculture and to improve extension capabilities and visibility through participation with regional staff at producer meetings. This Section administers the following acts and their regulations: *The Livestock Industry Diversification Act, The Livestock and Livestock Products Act and The Animal Liability Act.*

Beef Cattle

The Branch was involved with industry and government policy, research and development and alliance programs with various sectors of the beef industry. These programs included: the Western Livestock Inspection Committee, the Beef Industry Development Fund and the Beef Industry Research Committee.

A computerized registry for 5,322 livestock brands was maintained. Licences were issued to 96 livestock dealers and 75 agents. Discussions continued with industry and other western provinces regarding the harmonization of regulations and administration of livestock security in Western Canada.

Dairy

Staff provided extension support for milk recording information generated by the Western Canadian Dairy Herd Improvement (DHI) Services in the course of monitoring 418 herds representing 62% of Manitoba's 670 herds.

The Manitoba Milk Quality Recognition Program was administered for its 11th consecutive year with 187 producers receiving either a Gold (60) or a Merit (127) certificate recognizing their milk quality achievements for the 1999 calendar year.

The provincial Bulk Tank Somatic Cell Count (BTSCC) reduction program continued to be an extension area of high priority. Staff conducted in excess of 58 on-farm, milking time management consultations. The average BTSCC for 1999 was 234,000.

Over 20 presentations were conducted by staff on a variety of technical and management topics. They also wrote four articles for the print media, as well as issuing 12 information updates to regional staff and the industry.

Staff conducted 24 farm consultations on other management areas. These areas included: nutrition, calf/heifer management, milk recording record analysis, reproduction and milk statement interpretation.

Staff developed a comprehensive dairy website for the Department.

In addition, staff were actively involved on national dairy committees involving milk quality, dairy extension, regulatory reviews of provincial/national standards and milk recording.

Central and Regional staff worked closely to organize and deliver a four-day Manitoba Dairy Housing Seminar Series in the spring of 1999. A total of 112 registrants including producers, industry and government staff attended.

Swine

Manitoba is working with the industry which produced in excess of 4 million pigs during 1999/2000.

There were four issues of the *Manitoba Swine Update* produced by staff and distributed to Manitoba producers through the Manitoba Pork Council. Considerable time was dedicated to the planning and organizing of the Manitoba Swine Seminar, which attracted 350 individuals. The theme of the seminar was "Thriving in the New Millennium." The seminar again featured a professionally prepared proceedings book that was well received.

Further work with the Canadian Pork Council (CPC) also occurred. Staff were involved in developing and implementing the Pork Quality Assurance Program, in addition to participating in the department wide initiative to increase swine production through producer meetings. Staff prepared background material and training papers as well as making numerous presentations to producers in the Regions.

The rapidly expanding swine industry in Manitoba created a demand for a significant number of trained swine care workers. Staff participated on the Pork Production Training Committee, which is developing the Pork Production Manager Training Program. As well, staff were involved in providing feeding recommendations in response to requests from producers, veterinarians and agri-business.

Dairy Nutrition

Through the Dairy Nutrition Program, staff work to ensure that producers and owners have access to the most current technical information on nutritional practices. The demand for nutritional services came from producers, Manitoba Agriculture and Food staff, feed company representatives and practising veterinarians.

Practical and detailed feeding recommendations were provided in response to feed analysis, farm visits and/or verbal requests. Several hundred recommendations on ration formulation and feeding practices were made by mail and telephone to producers, veterinarians and agri-business.

Staff continued to organize and chair meetings of the Manitoba Practising Animal Nutritionists Group, with the aim of increasing discussion, understanding and co-operation within the feed industry. The Group also provided a means by which industry nutritionists can collectively address their common concerns.

The Nutrition Program places great emphasis on training and extension. During 1999/2000, major presentations on nutrition and ration formulation were given at 18 producer and staff meetings. Bi-monthly articles on nutrition were written for the Manitoba Milk Producers' newsletter, *Milkline*, which was mailed to every dairy producer in the province. Three issues of *Nutrition Update*, a technical newsletter prepared for Manitoba Agriculture and Food staff, veterinarians and feed industry representatives, were published. As well, two factsheets and a 4-H publication were revised. There were two training sessions held for regional staff on the Cowbytes Beef Ration Formulation software.

Equine

The Equine and Bison Specialist works with the clients in the areas of equine ranching, light/pleasure horse, feedlot and hobby horse industries.

Equine extension and technology transfer was carried out through staff and producer meetings, as well as individual producer contacts. Technical information was prepared and coordinated for individual industry magazines and in response to requests from individuals.

The Equine Extension Program is aimed at ensuring that producers and owners of horses, breed associations, the Manitoba Horse Council, other government departments and the general public, have access to the most current technical information on the equine industry.

The Equine Specialist chairs the Equine Ranching Task Force Committee, composed of equine ranchers, industry representatives, equine extension staff and veterinarians. The Committee strives to initiate increased discussion, understanding and co-operation within the equine ranching industry to address common concerns.

The equine industry recognizes that industry standards and guidelines, as set out in *Codes of Practice*, inform the public about responsible animal care. This commitment led to the initiation of a National Horse Code for Canada. The Recommended Code of Practice for the Care and Handling of Horses on PMU Operations is now part of the Recommended Code of Practice for the Care and Handling of Farm Animals: Horses.

The Equine Specialist continues to meet with Linwood Ranch, an equine rancher demonstration farm, to review equine management techniques evolving from ongoing farm demonstrations.

The Equine Extension Program, in co-operation with the 4-H Program and Manitoba Equine Ranchers, has implemented a 4-H Young Horse Development Project. This project involves Manitoba Equine Ranchers with Manitoba-only bred PMU foals. The project commenced in 1998 and is continuing.

Bison

Approximately 25% of the Equine and Bison Specialist's time was devoted to the bison industry. The role of the Bison Extension Program is to ensure that both existing and new producers have access to the most current technical information on bison production. The demand for bison information came from producers, Manitoba Agriculture and Food staff, financial institutions, feed company representatives, veterinarians and consulting firms. Practical and detailed bison management recommendations were provided through industry meetings, farm visits and 650 direct producer calls.

The Program assisted the Manitoba Bison Association in promotion and guidance in various industry development activities. For example, two Regional Bison Seminars (199 attendees) and a Bison Field Day were held. The Program also provided extension support to the bison feedlot industry. Approximately 30% of Manitoba bison producers are shareholders in the North American Bison Co-operative, a European Economic Community (EEC) approved plant. There are currently 180 bison producers involved in the Manitoba Bison Association.

The bison industry is expanding significantly and has a growing need for service for both established and beginning producers.

The Branch worked with the Canadian Bison Association in the development of the Canadian Bison Association On-Farm Safety Program.

Elk

The Elk Specialist provides technical information on elk production.

All elk registered as game production animals on licensed game farms in Manitoba have been positively identified by means of DNA analysis. No other elk will qualify for registration as game production animals unless: they are born on a licensed elk farm in Manitoba and have parents verified by means of DNA; or if purchased, they can be traced back to a legitimate elk farm in a jurisdiction recognized as an acceptable source of elk.

Each elk farm is inspected to ensure facilities comply with the regulations prior to receiving a Game Production Farm License and will be inspected on an annual basis to ensure both facilities and animals maintain acceptable standards.

The Province of Manitoba is offering the Elk Seedstock Program, which made seedstock elk, captured from the wild, available to residents of Manitoba to assist them in diversifying into elk farming. As of March 31, 1999 the Province of Manitoba was holding 378 elk at three licensed elk farms. These elk are assigned to the Province of Manitoba, contractors and the Manitoba First Nations Elk and Bison Council (MFNEBC). When a negative status for tuberculosis is attained from the Canadian Food Inspection Agency, a seedstock draw will be announced.

The Province of Manitoba has also contracted with the Manitoba Assembly of Chiefs on behalf of the Manitoba First Nations Elk and Bison Council to supply 250 wild captured elk for an aboriginal elk farming program under the existing legislation. Approximately 222 elk have been assigned to the MFNEBC under the contract.

An Elk Management Fund has been established. The Province's General Revenue Account receives 50% of the revenue from the sale of elk in the Seedstock Program and the Elk Management Fund receives the remaining 50%.

In February 2000 four public informational meetings were held in Brandon, Dauphin, Teulon and Vita.

As of March 31, 2000, 88 game farms were licensed and an estimated 1,968 elk were being farmed.

Sheep

The Sheep Extension Program serves as a resource to both Departmental staff and producers for technical production and industry-development information within the sheep sector.

Sheep Sense, a sheep industry newsletter, was produced quarterly with a mailing list of over 400 subscribers. Sheep program staff also co-hosted the Manitoba Sheep Seminar with the Manitoba Sheep Association. Staff maintained a producer database and distributed the *Recommended Code of Practice for the Care and Handling of Sheep* to Manitoba producers.

Livestock Environment

The Livestock Environment Specialist promotes the sustainable expansion of the livestock industry in Manitoba. The livestock industry is assisted in operating harmoniously with its neighbours and the environment through such activities as developing strategies and disseminating information on the management of livestock manure and protection of water resources. The Livestock Environment Specialist works in co-operation with the Department's regional engineers and soil management and conservation specialists. The Farm Practices Guidelines for Poultry Producers in Manitoba were revised and circulated to the industry.

The Manure Applications Rate Calculator, MARC '98 has been adopted as a "standard" tool for manure management planning in the three Prairie Provinces. MARC '98 software is used by more than 250 users and nearly 1,200 Manure Management Plans are expected to be registered with Manitoba Conservation in the fall of 2000. The software, found on the Manitoba Agriculture and Food Home Page, is available on compact disk. A hard copy user manual from the Animal Industry Branch is also available.

Significant input was provided for the development of the Livestock Stewardship Initiative. The Livestock Environment Specialist was also a technical representative on the Prairie Provinces Committee on Livestock Development and Manure Management. Within the scope of this committee, prairie-wide design and construction standards for liquid manure storage structures are being developed.

Information dissemination included numerous presentations to staff on the issues of odour control and manure management.

Poultry

Poultry extension and technology transfer was implemented through workshops and meetings as well as individual producer contacts. Two producer seminars and five hands-on workshops were organized with a total attendance of 300 people. Two factsheets were written and distributed in poultry producer board mailings and five articles were written for board newsletters, *Nutrition Update* and *Manitoba Breeder Bulletin*. Presentations were made at four industry meetings.

In co-operation with broiler hatching egg producers, hatcheries and the Manitoba Broiler Hatching Egg Commission, causes of lost hatchability were monitored by checking hatch debris at the hatcheries. There were thirty hatching egg breakouts conducted and a hatchability standard was determined for different ages of breeder flocks.

The Poultry Specialist assisted in the design, set-up and supervision of the Manitoba Egg Producers' caged hen display at the Red River Exhibition and Heart of the Continent Fair.

Paper work and blood testing needed for export permits for 25 breeder flocks were carried out by the Poultry Technologist and the Poultry Specialist. Manitoba Agriculture and Food's testing program supported the export of 2.7 million chicks, poults and hatching eggs to the USA, valued at $3.5 million. The testing program also helped to provide quality assurance to the customers in other provinces who purchased $4.3 million chicks, poults and eggs from Manitoba hatcheries.

Food Quality & Product Development Section

Under *The Dairy Act* and *Dairy Regulation*, the Food Quality and Product Development Section licensed 19 dairy processing facilities and 284 dairy industry personnel. Department personnel conducted 212 plant inspections and follow-up visits that ensured compliance with satisfactory manufacturing practices. Staff also provided processors with technology transfer services and assistance in product and process development. These services and assistance were provided in a "trouble-shooting" capacity or during plant construction or expansion. The Pasteurization Control Program remained a high consumer safety priority for the Branch. Inspection staff continued their collaborative work with The Canadian Food Inspection Agency in "single window" plant inspections.

The Provincial Dairy Laboratory performed in excess of 103,000 analyses on raw milk and processed dairy products. Milk from each of the province's dairy farms was analysed on a monthly basis for bacteria, antibiotics, added water and somatic cell count. The average somatic cell count in 1999 was 234,000, which was lower than the 1998 average of 243,000 and far better than national standards. Over 5,000 analyses were performed upon special request of the province's dairy producers, while working with the dairy specialists, farm inspectors, or Manitoba Milk Producers. Laboratory analytical results were employed in the certificate program administered by the Provincial Dairy Specialist.

Staff organized and delivered courses to dairy industry personnel such as bulk milk graders, milk receivers, buttermakers and cheesemakers. They also served as primary instructors in thermal processing courses offered through the University of Manitoba. Instruction was provided in Hazard Analysis Critical Control Point (HACCP) courses in conjunction with the Food Development Centre and the University of Manitoba.

Extension services were provided through technical and marketing information to livestock processors in the province, for food and non-food applications. Section staff made presentations to industry and Department staff on HACCP Systems. On-site visits to meat and dairy processing plants province-wide were also an integral part of the Section's activities. Assistance was provided to the Manitoba Meat Processors Association. As well, an industry newsletter on livestock value-added was continued.

Staff continued to be actively involved in a variety of national committees pertaining to the quality of livestock products including: National Liaison Group on Milk Products Quality, Federal-Provincial Dairy Committee, International Dairy Federation and Working Group on Imitation Dairy Products.

Staff provided a significant contribution to the ongoing development of harmonized food legislation for Canada including the National Dairy Regulation and Code, the Common Legislative/Regulatory Base for Food and the National Meat and Poultry Regulation and Code.

Production Quality & Safety Section

Dairy Farm Inspection Services

Staff conducted 1,154 dairy farm inspections that involved scheduled inspections and visits. The dairy inspection program involved 30 producers to ensure ongoing compliance with production standards. Dairy inspectors conducted in excess of 86 extension visits to farms to assist producers troubleshoot milk quality problems and review new construction. Information was provided to dairy producers to assist them in meeting required safety and quality standards and improving productivity.

Dairy inspectors tested 72 bulk milk truck drivers for performance of duties such as sampling for quality, sample care and truck sanitation. Staff regularly inspected dairy plants for compliance with quality and safety standards. As well, staff inspected raw milk samples for antibiotic residues at the satellite laboratory in Brandon.

Poultry Licensing and Inspection Services

Section staff conducted 277 poultry farm inspections and approved 65 hatchery supply flocks. Vaccine effectiveness monitoring was achieved through the collection and submission of blood samples for 372 enzyme linked immunosorbent assay tests. Staff conducted 192 environmental sampling tests on breeder farms for Salmonella. Staff performed 27,196 tests to verify poultry and poultry products for export. Sanitation monitoring of hatcheries was assisted by providing 880 Rodac plates and sampling advice.

Poultry dealer licenses were granted to 20 poultry dealers and five subsidiary branches. In addition, 11 hatchery licenses were issued.

Staff were involved: in the organization and presentation of a "Small Poultry Flock Seminar"; a lecture on the effective use of Rodac plates; a hatching egg producer workshop; turkey producer workshop, hatchery workshop at the University of Manitoba and the Touch the Farm exhibit at the Red River Exhibition. In addition, a bus tour to the Midwest Poultry Federation Convention in Minneapolis was organized and the *Breeder Bulletin* Newsletter was made available to a broader target audience including all hatching egg producers.

On-Farm Food Safety

In co-operation with the Canadian Bison Association, a proposal and funding request was prepared for the Association to develop a Bison On-Farm Food Safety Program for the Canadian bison industry. Staff briefed the Association on implications of on-farm food safety and development of Good Production Practices (GPP). Consultations provided for the development of a generic Hazard Analysis Critical Control Point (HACCP) model for bison production. Under the guidance of the Canadian Bison Association, GPP's for the bison industry were developed as well as a Producer Assessment Form and a Validation Form were prepared. Canadian bison producers are currently testing their Program as a pilot project to determine if the program is suitable for general use.

Staff are working in co-operation with the Canadian Sheep Association to develop a national on-farm food safety program for the sheep industry in Canada. Program development started in November 1999 and is based on the internationally recognized Codex Alimentarius Principles of HACCP. The Canadian Sheep Association's technical committee completed a draft HACCP model for sheep production. The finished model takes into consideration on-farm medicated feed mixing and dairy sheep production. The technical committee is now reviewing the model and designing a GPP manual and producer material to accompany the generic HACCP model.

Staff continue to work with the Canadian Pork Council (CPC) to develop and refine a national on-farm food safety program for pork called the Canadian Quality Assurance (CQA) program. In January 1999, Manitoba Agriculture and Food staff assisted the Manitoba Pork Council with a province-wide training session of pork producers. Over 1,300 producers were registered for the CQA program, representing over 90% of pork production in Manitoba. Staff also trained 39 validators on the CQA program using an industry-developed course and validated 40 production units on the program standards thus far.

Quality Starts Here (QSH) is a national program that is chaired by the Canadian Cattlemen's Association (CCA) and has representation from provincial and national producer groups, government, processors, veterinarians, the pharmaceutical industry and marketing associations. The QSH program is based on the seven principles of HACCP as defined in Codex Alimentarius. Staff are working with the cattle industry to distribute the GPP manuals and other QSH program material to producers.

National Identification

The four national commodity groups developing national individual animal identification programs are the Canadian Cattlemen's Association, the Dairy Farmers of Canada, the Canadian Sheep Association and the Canadian Bison Association. National individual animal identification programs are designed to trace animals from meat inspection back to their farm of origin as well as tracing animals shipped for export and carcasses delivered for disposal.

The Section is working with interested commodity groups to advise and educate on national identification. Through their work with The Canadian Bison Association, Section staff are assisting with the implementation of national identification material into the Bison On-Farm Food Safety Program. The sheep industry is reviewing the incorporation of national identification into its on-farm food safety program. Staff are working with the Canadian Cattlemen's Association to distribute information to producers concerning the national identification program for cattle. The program is administered by the Canadian Cattle Identification Agency (CCIA).

Manitoba Farm Quality Assurance Corporation

The Manitoba Farm Quality Assurance Corporation, formed in 1999, is a non-profit organization which administers on-farm food safety programs in the province. Industry stakeholders as well as the Manager of the Production Quality and Safety Section are representatives of the corporation.

Under the mandate, the organization administers all on-farm food safety programs for participating members representing commodity groups.

National On-Farm Food Safety Sub-Committee

The National On-Farm Food Safety sub-committee was formed in response to industry requests for government recognition of industry-developed national on-farm food safety programs. The sub-committee has representation from Departments of Agriculture across Canada and the Canadian Food Inspection Agency (CFIA). The sub-committee serves as a forum for the creation of a federal/ provincial/ territorial strategy for the development and implementation of standardized On-Farm Food Safety Programs. The manager of the Production Quality and Safety Section represents the Provincial Government on this board.

Other On-Farm Food Safety Initiatives

The Branch delivered two "Understanding On-Farm Food Safety Programs" educational sessions; one session was geared to federal and provincial governments and one to industry. The educational sessions were designed to inform participants about the importance of food safety in livestock production. Representatives from the dairy, broiler egg, sheep, goat, pork, elk, egg, turkey, mushroom and cattle industries were in attendance.

4 (b) Animal Industry

Expenditures by Sub-Appropriation	**Actual 1999/2000 $ (000's)**	**Estimate 1999/2000 FTE**	**Estimate 1999/2000 $ (000's)**	**Variance Over / (Under)**	**Expl. No.**
(1) Salaries and Employee Benefits	1,611.1	34.78	1,667.5	(56.4)	
(2) Other Expenditures	454.2		459.2	(5.0)	
TOTAL EXPENDITURES	2,065.3	34.78	2,126.7	(61.4)	

Veterinary Services (4c)

The objectives of the Veterinary Services Branch in 1999/2000 were: to provide the necessary resources for diagnosis of livestock diseases while promoting animal health; to encourage the use of veterinary services and laboratory diagnosis by livestock producers; to administer public animal hospitals; to provide extension services to livestock producers; to conduct disease surveillance; and to administer the Humane Inspection Program in the province.

In 1999/2000, the Branch administered *The Veterinary Services Act*, *The Veterinary Science Scholarship Fund Act*, *The Veterinary Medical Act*, *The Animal Diseases Act* and *The Animal Care Act*. The latter Act includes provisions on animal abuse and neglect. In 1999/2000, 176 complaints on inhumane treatment of animals were investigated. Of these, 55 were deemed unjustified and 121 required corrective measures. Charges were laid in five cases and animals were seized in 25 cases.

Financial assistance was provided through the Veterinary Science Scholarship Fund to assist 24 Manitoba students enrolled at the Western College of Veterinary Medicine. In addition, through the Summer Student Employment Program, 18 students were provided with practical experience, while being encouraged to practice in Manitoba's rural areas upon graduation.

Through operating the province's veterinary diagnostic laboratory, the Branch provides technical and specialist services to rural and urban veterinarians. The laboratory received 15,717 cases and conducted 404,969 tests in 1999/2000. Increased activity in the farm sector was associated with increased shipments of specimens from both swine and beef sectors. Producers were able to maximize their economic returns through the laboratory's high-priority commitment to the rapid reporting of laboratory results. Polymerase Chain Reaction (PCR) testing for diseases of cattle, hogs and poultry provided quick turn-around of results and greater utilization of service by producers, especially hog producers. The trend is to test whole herds for certain diseases such as Bovine Virus Diarrhea in cattle and Porcine Reproductive and Respiratory Syndrome in hogs. New research in surveillance methods for diseases such as Johne's disease, Neosporosis in cattle and Chronic Wasting Disease in elk, has contributed to an increase in cases and the number of tests performed.

Laboratory staff provided diagnostic services to the University of Manitoba's farm animals and the Medical Faculty's laboratory animal research units. Substantial diagnostic services were also provided to the University's Psychology Department which has a large, captive wild duck flock.

Branch staff also provided pathology demonstrations to Red River College (RRC) students as well as assisting the instructors of RRC in their Animal Health Technology course. The Branch was able to assist in the Aboriginal Career Work Experience Program by providing two volunteers with the opportunity to experience laboratory procedures.

Field Services staff participated in many extension seminars for beef, dairy, elk, bison, sheep and horse producers across the province. During 1999/2000, staff attended over 70 producer meetings. Staff have also assisted in the production of four feedlot schools and a velvet antler course, as well as delivering course lectures at the University of Manitoba and RRC concerning animal health and management issues.

Field staff also conducted several disease investigations throughout the year in response to requests from Branch pathologists and private veterinarians.

Under *The Veterinary Services Act*, the Branch provided provincial grants to 28 veterinary districts. This funding helped support a 24-hour, seven-day-a-week service through 55 veterinarians and their staff. During the year, meetings were held with Veterinary Services District Boards and with the Association of Manitoba Municipalities. The Branch assisted the Veterinary Services Commission with the administration and distribution of a $600,000 special grant for capital equipment and infrastructure for the Veterinary Services District Program.

The Branch helped support livestock disease control research by providing $15,200 to the Veterinary Infectious Diseases Organization. The Branch administered the Rabies Indemnity Program, a federal-provincial initiative to monitor the incidence of rabies. Payments within this program area totalled $21,570.

4 (c) Veterinary Services

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	1,833.8	37.79	1,823.9	9.9	
(2) Other Expenditures	722.8		709.0	13.8	
(3) Grant Assistance - Operating -Grants/Transfer Payments	511.2		467.1	44.1	
(4) Grant Assistance - Capital -Grants/Transfer Payments	597.4		600.0	(2.6)	
(5) Less: Recoverable from Capital Initiatives -Grants/Transfer Payments	(296.3)		(300.0)	3.7	
TOTAL EXPENDITURES	3,368.9	37.79	3,300.0	68.9	

Soils and Crops (4d)

Soils and Crops provides a co-ordinated program to enhance crop diversification, production and utilization, while maintaining and enhancing soil and water resources. In support of these objectives, the Branch provides regional staff, agri-business and farmers with technical support, along with specialized services and information. This overall support enhances the productivity, output and marketing capability of Manitoba's crop producers.

In addition, the Branch administers statutes and regulations related to several areas including: beekeeping, pesticide dealer and applicator licensing, weed control and horticulture. Direct support is also provided under the Environment Act regulation that involves controlling crop residue burning. Soils and Crops also supports the delivery of agricultural research and sustainability programs and participates in federal-provincial cost-shared programs designed to assist in the development of irrigation infrastructure.

The Branch is comprised of five sections: Apiculture, Agricultural Resources, Crop Diversification, Crop Development and Soils and Crops Programs. All sections are extensively involved in the investigation and demonstration of new crop market opportunities and production practices. Technical information is disseminated through publications, news releases, the live Internet training sessions and local grower meetings.

The Branch achieved the following results in 1999/2000:

Apiculture

The Branch administered the *Manitoba Bee Act*, with staff coordinating the Honey Bee Disease Inspection and Control Program. Staff inspected 6,013 honey bee colonies for American and European foulbrood diseases. The Branch collected and analyzed 219 bee samples for the presence of the honey bee tracheal mite. The Branch also sampled 217 honey bee operations throughout the province for the presence of the Varroa mite.

Apiculture Section staff participated in 40 extension meetings. The Section provided industry updates and information on honey bee and leafcutting bee management to producers. Staff also attended, as technical advisors, Board of Director meetings for the Manitoba Beekeepers' Association, the Red River Apiarists' Association and the Manitoba Forage Seed Associations. Contributions were made to three issues of both the *Manitoba Beekeeper* and *Forage Seed Update* newsletters, which were distributed to approximately 2,000 individuals. Staff taught an evening course in beekeeping at the University of Manitoba.

Apiculture Section staff played a prominent role in organizing and administering Apimondia '99, the 36th Congress of the International Federation of Beekeepers' Association. The event was held in Vancouver in September 1999 and approximately 3,000 participants attended.

To complement a voluntary chalkbrood survey based on producer submitted leafcutting bee samples, staff co-ordinated the analysis of chalkbrood disease sampling in leafcutting bee operations. The Section conducted a chalkbrood survey of feral bees using about 100 trap nests.

Through research, demonstration and extension, staff continued to develop information related to understanding the economic benefits that result from pollination of commercial crops by bees.

Agricultural Resources

Agricultural Resources Section staff actively participated in the development and implementation of the second year of programming under the Manitoba Agricultural Sustainability Initiative – Covering New Ground. Staff responsibilities associated with Covering New Ground included coordination of provincial, regional and crop diversification centre projects, provision of technical assistance to regional staff, local delivery organizations, producer groups, conservation districts and environmental agencies.

Inter-provincial liaisons and information sharing between Manitoba, Saskatchewan, Alberta and British Columbia was accomplished through staff participation on the Prairie Co-ordinating Committee on Environmentally Sustainable Agriculture.

Section staff were responsible for the planning and delivery of their own field programs which included Covering New Ground projects as well as providing training and technical information to producers, central and regional staff. Field programming included activities related to irrigation, water management, manure management and reduced tillage.

Agricultural Resources staff also provided support to, and were involved in: the delivery of the Surplus Water Irrigation Initiative; the revision of the Farm Practices Guidelines for Dairy and Poultry Producers through the Manure Management Technical Advisory Group; Regional Technical Review Committees associated with livestock industry expansion; the Provincial Water Use and Allocation Review; Manitoba Zero Tillage Research Farm; the Oak Lake Aquifer Management Plan; Winkler Aquifer Management Plan Implementation Teams, the Association of Irrigators in Manitoba (AIM) and Regional Irrigation Associations.

The Section assisted with an irrigation support program for new irrigators, which included the assessment of soils and water for irrigation suitability.

Staff coordinated the Crop Residue Burning Authorization Program, established under the Burning of Crop Residue and Non-Crop Herbage Regulation.

A detailed soil inventory project in the Rural Municipalities of Springfield and Tache was initiated. A final report on the detailed soil survey of the RM of Strathcona was completed and a similar report for the RM of South Cypress is in progress.

The Agrometeorology Program made significant progress in the development of computer based real time agricultural weather information packages with delivery of information through the Manitoba Agriculture and Food Home Page under the Agrometeorological Centre of Excellence (ACE) banners. Twice weekly, potato blight forecasts were provided for four specific potato production areas in Manitoba as well as sclerotinia of canola forecasts for the entire province and Western Canada. Significant steps were taken towards the establishment of a real-time agricultural weather network for Manitoba and an Agrometeorological Centre of Excellence (ACE). The network is designed for the development and delivery of practical weather based products on a co-operative basis with various levels of government departments, crown corporations, industry and producers.

A detailed crop residue supply project was completed to support activities involved in alternate uses for cereal and flax straw.

In the area of agricultural land utilization, staff provided input and reviews for more than 250 projects and proposals. Some of these project/proposal areas included: the environment, highways, rural gas and water line installations, pipelines, municipal by-laws, development plans and zoning by-laws. A specific focus included planning issues related to the expansion of the livestock industry including the Livestock/Planning Advisory Committee and the Federal Hog Environment Management Strategy (HEMS).

Crop Diversification

Staff evaluated innovations in pest management, irrigation, product quality and new crop development. Saskatoons, sea buckthorn, hemp, corn, buckwheat, medicinals, aromatic plants, spices, essential oils, and oriental vegetables were among the new crops under development. Two saskatoon/chokecherry trials were continued in co-operation with the Parkland Crop Diversification Foundation. Demonstration orchards were started and strawberry trials are continuing in conjunction with the Agriculture and Agri Food Research Station in Morden.

Crop Diversification Section staff organized a display for Ag Days in Brandon. Fruits and medicinal crops were featured along with some of the major commodities. Crop diversification was also a major theme of the display at Horticulture Production Days.

Factsheets were produced, which provided basic agronomy information to those considering growing these particular crops: Echinacea; industrial hemp; small fruits (currents, gooseberry, highbush cranberry, pincherry, buffaloberry and sea buckthorn); blueberries; bedding plants; apples; raspberries; chokecherries; strawberries; saskatoons; milk thistle; caraway; valerian; coriander; feverfew and native grasses. Additional factsheets were produced on European corn borer and insects associated with medicinal plants. As well, *Guide to Fruit Crop Production 2000 Edition* and the *Fruit Crop Insect Guide* were published.

There were 11 weekly fruit crop reports and special crop reports that were issued from June through August. These reports offered growers timely information on insects and diseases and general production information. The reports were distributed to approximately 200 people including growers, Agriculture Representatives and the media.

One edition of the *Saskatoon Newsletter* was published and distributed to over 200 growers.

All factsheets, including to the *Guide to Commercial Strawberry Production*, as well as the weekly reports, were all made available on the Department's Internet site.

Staff provided agronomic information on:

- hemp, through research trials, factsheets, extension work and direct contact with growers; an insect pest survey on hemp was conducted to determine potential pests which could harm the crop; disease monitoring was also done in various producer fields to recognize, identify and treat potential diseases in the hemp crop

- corn and buckwheat, through tours, research trials and factsheets; to help farmers achieve optimum returns from corn and buckwheat; a program was initiated to monitor European corn borer utilizing pheromone traps as well as the development of recommendations for control.

Staff investigated fertility and weed control options in new forage seed crops.

Specialists made on-site visits to greenhouses, nursery and landscape operations to provide agronomic information.

In 1999, licenses were issued to 1,409 applicators and 551 dealers under *The Pesticides and Fertilizers Control Act*. Pesticide dealers and custom pesticide applicators are required to qualify for licensing by completing provincially approved certification courses. In addition, applicators must comply with the Act's insurance requirement before they are issued a license.

The Crop Diagnostic Centre served farmers and agri-business by analyzing 1,206 agricultural and 294 non-agricultural samples. There were 203 weed samples and 50 insect samples submitted for identification in 1999.

Crop Development

The Crop Development Section, in co-operation with the Manitoba Crop Variety Evaluation Team, co-ordinated the 1999/2000 Variety Evaluation Program. This program consisted of 17 test sites (of which five sites were entirely funded by the industry and five were funded partially by grower groups and seven were conducted by private companies). The full test sites contained between 125 and 165 varieties of cereals, oilseeds and special crops. Project contractors included Ag-Quest Inc., AgriProgress, ICMS Inc., and Agriculture and Agri-Food Canada.

The Section, in co-operation with regional staff and the Manitoba Forage Seed Association assisted with the 1999/2000 Forage Variety Evaluation Program. The program consisted of three full test sites. In 1999, 320 varieties of 11 forage species were evaluated for forage and/or seed production potential. The Section also co-ordinated variety testing programs for sunflowers resulting in the registration of several new sunflower hybrids.

Varietal performance data was published in *Seed Manitoba,* with over 23,000 copies distributed through the Manitoba Co-Operator in co-operation with the Manitoba Seed Growers Association.

There were 25 issues of the *Manitoba Crop Report* and 16 issues of the *Crop Management Bulletin* published providing timely information on seeding and harvest progress and various crop pest and fertility issues. These publications were distributed to regional staff and the media.

Extension publications were revised and distributed, including 9,000 copies of the *Guide to Crop Protection.* Other technical publications included a manual in weed management for organic crops, fact sheets on control of disease in forage seed, soil fertility guidelines for winter wheat and chemical fallow. A detailed crop residue supply report was prepared in support of the straw processing industry. The Weed Management Specialist produced ten articles for farm newspapers and magazines.

Staff coordinated the emergency registration of Folicur fungicide for use in controlling fusarium head blight in cereal crops.

The Section prepared and distributed information in support of southwestern Manitoba growers facing late seeding due to excessive moisture. Information on expected crop yields, weed control measures, summerfallow options and various emergency agronomic measures were developed in co-operation with Southwest Region staff.

Section staff provided support to numerous organizations such as: Manitoba Pulse Growers; National Sunflower Association; Manitoba Canola Growers; Flax Council of Canada; Manitoba-North Dakota Zero Tillage Farmers; Manitoba Zero Tillage Research Association; Manitoba Seed Growers; Canadian Seed Growers; Organic Producers Association of Manitoba; and Manitoba Forage Council.

The Section developed and delivered crop diagnostic training schools in co-operation with the University of Manitoba. A two-week summer school program was delivered to 475 industry agronomist, farmers and department staff. A two-day indoor winter school was delivered to 160 industry agronomists and university students.

Section Commodity Specialists provided information on Genetically Modified (GM) crops to producers. There were 15 presentations on GM canola, in which 710 producers attended.

The Section developed and delivered nine workshops on winter wheat production. The events attracted 169 producers. Co-operators involved included Ducks Unlimited Canada, Winter Cereals Canada and regional staff.

Weather-based crop disease forecasts for canola, wheat and potatoes were prepared and delivered via the Internet and farm newspapers. Maps depicting disease pressure were produced in co-operation with the Agriculture Resources Section and grower and industry organizations. Forecasts for late blight in potato are known to have reduced pesticide costs by $30,000 on some farms.

The narrow-row edible bean trials were conducted at six locations. Replacements for lindane-based canola seed treatments were tested in field evaluations at five locations. Field testing of soybean was conducted at four locations. A survey of pasture quality was conducted on over 50 pastures, with results being shared with the livestock industry. The Section cooperated with regional staff and the Manitoba Forage Council in implementing the Manitoba Hay Certification Program and a hay listing service.

Staff were involved in more than 60 regional extension meetings where producers received information regarding cereal, oilseed, pulse crop, alternative crop, forage, grassland and seed production.

Soils and Crops Programs

The Soils and Crops Programs Section addresses agri-food issues in biotechnology, nutraceuticals and functional foods, and administers both the Agri-Food Research and Development Initiative (ARDI) and Covering New Ground programs.

A Biotechnology Working Group was established to develop recommendations with respect to biotechnology, coordinate staff training, facilitate the development of extension programming and to support activities in consumer information and labelling.

Staff actively supports the Manitoba Association of Nutraceuticals and Functional Foods and the National Centre for Agri-Food Research in Medicine in the development of nutraceuticals. Agronomic production practices, the identification and preservation of active ingredients and the clinical trials to support the effective use of nutraceuticals are all key elements in further seizing opportunities involving nutraceuticals and functional foods.

4 (d) Soils and Crops

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	2,378.8	51.12	2,580.6	(201.8)	
(2) Other Expenditures	999.4		919.7	79.7	
TOTAL EXPENDITURES	3,378.2	51.12	3,500.3	(122.1)	

Irrigation Development (4e)

Soils and Crops Branch staff were involved in the negotiations with federal government representatives towards a federal commitment to the Surplus Water Irrigation Initiative, resulting in an agreement between the province and the federal government in 1997. This program offers assistance to irrigation associations and other organizations in planning and developing sustainable irrigation projects in Manitoba.

A total of 37 infrastructure projects were approved that will support 12,586 irrigated acres. Furthermore, 14 infrastructure projects were approved in 1999/2000, and payments were made on six projects. The remaining projects are in various stages, including obtaining easements, water rights, and environmental approvals.

There were seven area management projects funded that assisted local irrigation associations in the development of feasibility studies, infrastructure proposals and project management, public awareness materials, and regional association restructuring.

Ten applied research, demonstration and technology transfer projects received funding. These projects examined: prediction and management of potato diseases under irrigation; dentrification in the Assiniboine Delta Aquifer; soil moisture monitoring; development and installation of a fish screen; development of field deployment equipment, and the demonstration of irrigated hemp and potato production, as well as effluent irrigation.

As well, six monitoring projects received funding. These included North Portage groundwater monitoring, monitoring groundwater quality in the Assiniboine Delta Aquifer, monitoring of annual irrigation water use, monitoring the possible salinization of selected soils, and the determination of minimum instream flows for rivers used for irrigation.

4 (e) Irrigation Development

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
Other Expenditures	436.5		822.5	(386.0)	1
TOTAL EXPENDITURES	436.5		822.5	(386.0)	

1. *The variance under authority was mainly the result of the infrastructure development being slower than projected due to the time required to obtain environmental approvals and licensing.*

Food Development Centre 4(f)

The mission of the Food Development Centre (FDC) is to provide leading edge technical leadership in a proactive manner, in the creation, expansion and diversification of the agri-food industry within Manitoba, which will generate wealth for Manitoba and Manitobans.

During 1999/2000, FDC, in conjunction with its strategic partners, facilitated the development of 35 new food products, assisted in the creation of 46 new employment opportunities for Manitobans, and completed 194 projects which are expected to increase annual client product sales by more than $1,000,000.

To support industry FDC analyzed 8,151 food samples, addressed 2,983 requests for technical information, and presented 9 leading-edge technological seminars that trained 485 individuals.

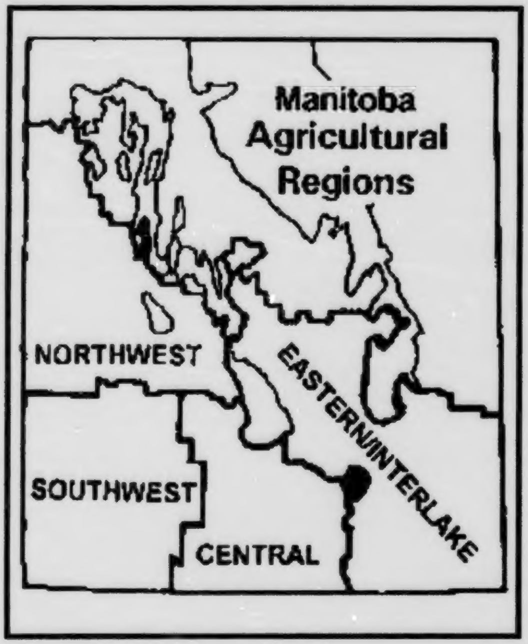
FDC is a Special Operating Agency and the 1999/000 activities and financial data are detailed in FDC's Annual Report.

4 (f) Food Development Centre

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
Other Expenditures	1,233.4		912.4	321.0	1
TOTAL EXPENDITURES	1,233.4		912.4	321.0	

1. *The variance over authority was the result of recording the centre's accumulated operating deficit.*

Regional Agricultural Services (5)



The Regional Agricultural Services Division primarily provides the front-line delivery of Manitoba Agriculture and Food programs. This Division, as an agent of change through technology transfer, aims to enhance the viability of family farms and to improve living standards in rural communities. It also administers Agricultural Crown lands.

There are four regional offices and 40 district offices served by a staff of Agricultural Representatives, Home Economists, Crop and Livestock Specialists, Engineers and Farm Management Advisers. These staff provide services aimed at helping farm families to increase their incomes, primarily through enhanced farm management skills and production practices.

Regional staff facilitate the bringing of various strategic partners (such as producers, consumers, government, financial and scientific communities, processors and marketers) together to develop and expand value-added activity and diversification in Manitoba. Moreover, staff assist producers and processors increase sales of primary and processed products to domestic and international markets.

The regions assist in the development of rural leadership by providing support to local 4-H and Youth programs. Regional and district staff help ensure the success of 4-H by organizing workshops for club officers, public speaking training, competitions, rallies, member exchange programs and livestock shows. In addition, staff work with community improvement and economic development groups to build a more promising future for rural youth.

Regional staff work towards improving the well-being of the farm family. Staff activities involve promoting a better understanding of nutrition, food safety and sound financial management.

The regions are involved in extension education and participate in the planning and delivery of agricultural training in conjunction with Assiniboine Community College. Staff also make extensive use of producer newsletters, local news columns and local broadcast media to reach farm families. Demonstrations, producer clubs, individual counseling and production planning services are also used to promote better farming practices and management. All of these activities are carried out in accordance with specific Department strategies for beef, hogs, crops, forage, farm management, soil and water conservation, home economics, human resources and 4-H.

The Division is also responsible for effectively administering the disposition of Crown land designated for agricultural production and to improve the productivity of this land through improved management techniques.

Northwest Region (5a)

Farm Management

Regional staff made 2,765 general contacts and 1,282 intensive contacts on farm management subjects during the 1999/2000 fiscal year. Intensive contacts involved management counseling with 125 farm families. Farm management principles and practices, farm transfer alternatives, along with business management and marketing strategies made up part of the agenda for 57 one-day seminars involving 1,117 clients.

Staff facilitated the process of technology transfer through the use of four marketing, nine commodity and 17 other producer clubs and study groups. In partnership with government agencies, community and producer groups, 15 courses were delivered, providing 199 farmers with specialized agricultural training.

Agri-Ventures

Value-added and diversification initiatives were part of 178 events involving 5,337 clients. Events included seminars, conferences and tours, where participants explored new technology and new market opportunities. There were 10 special projects, involving funding-in-progress, with the Manitoba Agri-Ventures Initiatives Program. Staff facilitated group processes and business planning directed towards the development of meat and food processing, new livestock, crop and timothy hay production, processing and handling equipment, agri-tourism and community development. These initiatives continue to be supported through the integrated services of Inter-Governmental Affairs, Industry, Trade and Mines, Agriculture and Food and local development agencies.

Crop Production Enhancement

Crop production assistance was provided through 9,220 contacts and 2,570 intensive contacts. There were 107 group activities accounting for 4,896 contacts. The Parkland Crop Diversification Foundation (PCDF) has become an effective tool by evaluating and demonstrating new crops and production. Industrial hemp production created much interest in the Region. Approximately 9,500 acres of hemp was grown in the Northwest Region, almost half of the total 20,000 acres grown in Canada.

Many areas received excessive moisture in July, reducing yields. Technology transfer continued through extension efforts in field days, tours, farm family seminars, clubs, and one-to-one contacts.

Forage production in the region continued to increase rapidly, with producer interest in growing forages for hay, seed, pasture and silage. There was considerable interest in intensive grazing management, setting up rotational grazing systems, and the use of annuals for pasture production systems. Producers are striving to develop better methods for swath grazing, to extend the grazing season.

The Predictive Equations for Alfalfa Quality (PEAQ) Program continued throughout the Region to promote the production of high quality hay for export markets. As well, hay production increased throughout the region due to the expansion of the Timothy Hay Compacting Plant. Forage related topics were discussed at 89 producer meetings and seminars involving 5,179 producers.

Livestock Production Enhancement

Livestock technology information was provided to farm clients through 4,096 general and 1,435 intensive contacts. There were 154 livestock group meetings with an attendance of 5,881 producers. Regional staff worked with one beef club and two feeder associations, 4-H groups, community agricultural societies and local veterinary service boards. The Roblin Bull Test Station was closed and sold. Pasture handling facility presentations were given at four producer sessions. Northwest Regional staff formulated 1,050 rations for 195 cattle producers. Approximately 20 producers attended the regional dairy workshop, where the focus was on effective barn lighting. There were four producer dairy equipment evaluations carried out.

Regional Pork Task Team members held two swine investment meetings with 105 potential investors. Manure management issues were addressed with both beef and swine producers regarding the requirements of the Livestock Manure and Mortalities Management Regulation. A Regional staff training session on the Livestock Manure and Mortalities Management Regulation was also conducted. Pork Quality Assurance meetings were held in three locations.

4-H and Youth

In 1999/2000 the Northwest Region had a 4-H membership of 848 members and 341 leaders. The most popular projects were equine, beef and crafts. The Binscarth Home–Ettes Club in the Russell district was the largest 4-H club in the province. There were 6,678 general contacts and 1,521 intensive contacts made to support the Northwest 4-H program.

Manitoba Agriculture and Food staff worked with volunteers from the Regional Council, five district councils and 40 clubs to organize over 327 events that included leader appreciation evenings, officer workshops, bonspiels, inter-club beef shows, communication competitions, and achievements, as well as training events for leaders and members.

Regional activities included an event for 12 to 14 year-old members, a one-day horse show, a five-class livestock judging clinic, and horsemanship clinic/schooling show, as well as a partial sponsorship of 33 members to attend a summer camp of their choice. Senior members were selected for travel opportunities by interview.

School tours for grades four and five students from Gilbert Plains and other elementary schools in the Dauphin-Ochre School Area, were held in cooperation with the Dauphin Agricultural Society and Farm Credit Corporation at Challenges of Production. The tours were based on the "Pizza Pizzazz" display, and were followed by an essay and poster contest for the participants. The "Pizza Pizzazz" display was also used to raise awareness about 4-H recruitment and agricultural awareness in local elementary schools in the Roblin and Swan Valley areas.

Soil and Water Conservation

Staff participated with six local soil management groups and five water conservation districts. This involved 933 contacts and 233 intensive consultations. Groups initiated 84 different projects under the Covering New Ground initiative. The majority of the work was related to pasture management and included rotational, swath and complementary grazing, pasture renovation practices, hay testing, and management for quality. Crop projects included demonstrations for new crops as well as numerous crop and pest management field days. Integrated pest management included fly tunnels for chemical-free livestock pest control, and herbicide resistance surveys. The majority of the crop diversification projects across the Northwest Region were carried out by the Parkland Crop Diversification Foundation (PCDF). Regional staff hosted the 1999 Manitoba Soil Science

Society tour, with emphasis on holistic resource management. Staff in the Swan River district are working towards forming a new watershed management group, in association with the existing soil management organization. Regional staff, in association with the Town of Roblin, are continuing to assist with the management of municipal effluent, through irrigation and a constructed wetland system.

Home Economics and Human Resource Management

Home Economists focussed on the areas of value-added and diversification, marketing, leadership, consumer awareness and human resources.

A value-added/diversification bus tour traveled to small businesses in central and southern areas of the province. The "Rural Innovations" bus tour was represented by 47 participants from the Northwest Region. Value-added/diversification was also the focus of 34 meetings and a number of displays in the Region.

The Direct Farm Marketing Conference was a two-day event that introduced marketing information and skills to over 100 participants. Participants came from greenhouse, U-pick, roadside market, farmers' market, entertainment farming, teahouse, and bed and breakfast industries.

Farmers' Markets were active in the Dauphin and Swan River areas. Some vendors were looking toward marketing their products directly. The "Kitchen to Market" kit continues to be used extensively as an excellent resource for potential entrepreneurs.

Home Economists worked closely with staff, the Swan Valley Enterprise Centre economic development groups, and other agencies to provide information on value-added/diversification to rural entrepreneurs.

Home Economists worked in developing the leadership skills of individuals with training and education. Leadership training events were held with the Women's Institute, rural women, 4-H leaders and members.

Home Economists continued to support the 4-H program through district councils and individual support to 4-H leaders and members. In addition, wind-up and rally activities were held in each area. There were 809 general and 660 in-depth 4-H contacts made, and 112 one-day events, in which 4,959 individuals attended.

Agriculture and consumer awareness was emphasized through displays and focussed activities. "Pizza Pizzazz"; an interactive display, was featured in each area to focus on the role of agriculture and the food we eat.

In the area of human resources, farm transfer was a priority. Farm transfer workshops and seminars were held in partnership with resource staff. Farm transfer is an ongoing priority.

During 1999/2000, a total of 199 presentations were made to 6,948 participants. Individual assistance was made available through 3,583 general contacts and 1,340 in-depth consultations. Home Economists provided 109 news columns, 64 radio reports and developed 37 displays.

Agricultural Crown Lands

Four Land Representatives monitored and administered 1,131,007 acres of agricultural Crown land; representing 936 forage lease holders. In addition, 54 casual hay/grazing permits and 371 renewable hay/grazing permits were issued. Manitoba Agriculture and Food staff initiated eight projects with lessees to demonstrate the integration of range management principles into their ranching practices. The Garland Project with Louisiana-Pacific Canada Ltd., Agriculture and Agri-Food Canada, Manitoba Agriculture and Food, and the Rural Municipality of Ethelbert continues to research proper stock rates for optimum productivity on logged-over areas encouraging grass production and the recovery of woody vegetation for future logging.

5 (a) Northwest Region

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	2,038.5	44.79	2,083.9	(45.4)	
(2) Other Expenditures	813.6		816.4	(2.8)	
TOTAL EXPENDITURES	2,852.1	44.79	2,900.3	(48.2)	

Southwest Region (5b)

Farm Management

In 1999/2000, staff made 9,163 individual general contacts and 1,899 individual in-depth consultations.

Because of declining crop commodity prices and the spring flood, the major demand on farm management services continued to be financial counseling. The main services offered by Farm Management Specialists included debt re-structuring, mediation services, farm transfer inquiries, production cost analyses, budgeting, record keeping questions, business agreements/requests from producers/bankers for credit reviews and financial analyses. Recently, FarmPlan; a computerized farm analysis program was developed to improve farm management service.

Group and individual counseling also continued in the area of marketing, including involvement with 10 grain marketing and eight beef marketing clubs. Pasture management and costs of grazing and backgrounding questions dominated livestock inquiries.

Computers, the Net Income Stabilization Account (NISA), the Canada-Manitoba Adjustment Program, Enhanced Crop Insurance (ECI) and AIDA (Agricultural Income Disaster Assistance) also involved considerable staff time in the Farm Management area. Farm Management Specialists answered many inquiries on leasing agreements such as crop and custom work arrangements and business structures, due to the extensive wet conditions that resulted in land that was not seeded.

As well, the Farm Management Section developed various resource publications and computer programs for distribution to producers. In addition, courses were delivered through the Manitoba Farm Business Management Training Project.

Value-added and diversification inquiries continued involving many requests from local community Economic Development Boards and producer associations. These inquiries covered such areas as the feasibility and economics of agriculture processing, non-traditional crops and livestock, large livestock operations and agri-tourism.

Crop Production Enhancement

As a result of the extensive wet conditions approximately 30% of land in the region went unplanted. Consequently, much attention was placed on extension activities such as summerfallow management, particularly chem fallow. Extension activities regarding fall seeded crops, mainly winter wheat, also increased.

Crop Production Enhancement extension also focused on disease, insect and weed control, fertility, variety recommendations, seed quality and herbicide resistance. Several projects related to dormant seeding of canola and evaluating annual crops (cereals, corn, peas) for silage were also conducted.

Forage extension focussed on production and marketing of high quality alfalfa and rotational grazing systems. Extension activities included species selection, forage establishment, fertilizer management, quality assessment, export marketing, high tensile fencing and pasture management.

The Crop Diversification Initiative involved several activities, which included the operation of a Crop Diversification Demonstration Farm at Melita, with the main focus on potato, grass seed and pulse crops production. Also included were demonstration activities at the Manitoba Crop Diversification Centre in Carberry. Other activities involved projects on irrigated alfalfa, field beans, chickpeas and oriental vegetables.

Staff made 15,334 general contacts and 1,955 in-depth consultations. As well, staff attended 262 meetings, tours and field days.

Value-Added/Diversification and New Crops

Staff provided support through individual consultations and by developing programs and projects to further enhance diversification and value added ventures in the region. Producers have shown interest in various opportunities that exist for livestock and non-traditional crops.

During the 1999/2000 fiscal year, a new Program Area Team of Regional staff, assisted in the identification of future priorities and programming in the food and value added area.

Various extension activities occurred such as Agriculture – Producers Making It Happen, the Small Acreage Possibilities Seminar and the Agriculture Opportunities session at Manitoba Ag Days held in Brandon. In addition, other initiatives were developed on a district level as well as on a regional basis. Attendance and response to these particular events and meetings was very positive.

As a result of the success of the "New Crops Program" that was developed by staff last year, a similar program was planned for the upcoming season. The proposed program will allow producers to gain experience in growing a "new" crop. Staff will provide technical assistance through the duration of this project.

Economics and marketing activity continued to address challenges involving on-farm diversification and developing value-added businesses.

Livestock Production Enhancement

Staff increased their involvement working with livestock producers developing rations and advising on utilizing alternate opportunity feeds. Staff involvement included nutrition work with cow-calf, backgrounding and feedlot operations on a one-to-one basis, as well as through workshops and public meetings. The Region continued to work with producers on genetic education programs, primarily through bull test stations, herd health programs and facility design for existing and new operations.

Staff were involved with producers on the expansion phase of the backgrounding and feedlot industries, in the development of site design, feeding management plans, budgets and market potential. As well, staff were active in the promotion of beef quality assurance through individual contacts and the mass media.

Staff conducted hands-on feeder schools due to the increased interest in livestock feeding. As a result of producer interest, further cattle feeder seminars are planned. More emphasis will be placed on the environmental sustainability issues, in particular confined livestock feeding as well as issues relating to animal handling and well being.

Construction commenced on five projects in 1999. This included one 3,400-head farrow/wean barn and four feeder barn sites with a 22,000 head capacity. Extensive groundwork was done by Regional staff, particularly in the area of directing information to local Rural Municipality councils.

A series of producer meetings for the Pork Quality Assurance Program were held and completed with 95% of producers registered at the meetings.

Dairy extension was carried out with local diary clubs and through individual contacts. Dairy production remained relatively constant.

Staff made 9,435 general contacts and 2,078 in-depth contacts, to provide for technical livestock consultation. As well, staff participated in 140 meetings, tours and field days.

4-H and Youth

In 1999/2000 the Southwest Region had a 4-H membership of 1,434 members and 612 4-H leaders participating in 74 clubs. Initiatives in the Region's 4-H program continued to include: enhancing rural leadership; providing training and opportunities in communication; meeting management; agriculture awareness and promoting the 4-H program.

The Regional 4-H Council and the 4-H & Youth Specialist, in cooperation with strategic partners, organized a Regional Communications event for 83 young people. As well, 4-H events included: a Senior Conference for 27 young people; Intermediate Activity Day – Pik-a-Day with 4-H for 42 members; an opportunity to experience camp for 44 members, as well 17 members participated in livestock judging and a 4-H Regional Scholarship. Southwest Home Economists hosted a 4-H Leadership Development Week with leader training events in four locations. A leadership development seminar focusing on "A Prescription for Healthy Community Organizations" was hosted by both the Southwest Regional 4-H Council and the Southwest Farm Women's Network and was attended by 22 people representing numerous organizations.

Staff organized and initiated a number of new projects this year: "A Teen Blizzard" allowed youth to participate in winter activities at a local ski resort on 4-H Family Day; a new senior member travel selection process was adopted and 17 members applied for 4-H travel opportunities by completing a 4-H career portfolio and attending an interview.

Manitoba-Tanzania Entrepreneur Training Association (MTETA) continued into its second year with the development of a youth exchange program. The program consisting of nine youth and two chaperones traveled to Tanzania to interact with MTETA partners.

The Fall Fair Showcase was expanded to become a co-operative showcase between the Manitoba Association of Agricultural Societies (MAAS), Agriculture in the Classroom Manitoba (AITC-M), Provincial Exhibition Agriculture Education Committee and the Southwest 4-H program. The 4-H display featured quality exhibits, (MAAS) quilts and an interactive Agriculture education station with a "Salute to Agriculture" theme.

The 4-H program's support of Ag Awareness initiatives was greatly enhanced by cooperating with Agriculture in the Classroom – Manitoba, Western Region Subcommittee and Provincial Exhibition Agriculture Education Committee.

Eleven district councils, in co-operation with Manitoba Agriculture and Food District Staff, organized rallies, fun days, inter-club shows, as well as training sessions for members and leaders. As well, Livestock judging days, record book competitions and Quality Equation initiatives provided staff with opportunities to increase their knowledge of the livestock industry.

Soil and Water Conservation

There were 16 Local Delivery Groups (LDG) that received funding for 30 projects within the Southwest Region.

Four projects were supported to examine silage production in the Region. Such projects included annual crop silage trials, cultivar evaluation and encouraging the adoption of corn silage.

Manure management was addressed in two new projects. One project examined the use of manure composting as a significant means to reduce the volume of manure transported to fields. A second project demonstrated an effective method for capturing and preventing feedlot manure runoff from entering a surface water body.

A research study was conducted concerning the leafy spurge infestation in the area. The study concluded that at least 340,000 acres in Manitoba were impacted by the infestation. The infestation was responsible for a net economic impact of $20 million per year.

In the area of new crops, ten producers tried a variety of new crops ranging from pubescent wheatgrass seed production to an alfalfa/sainfoin grazing mix for beef cattle. This project encouraged producers to learn about new crop agronomics, markets and economics from each other by growing new crops on a small field scale. Approximately eight winter diversification meetings were held throughout the Region, with an average of 45 producers in attendance.

Because of the development of two Regional projects, salinity expansion was prohibited using saline tolerant grasses/legumes. As well, two saline demonstration sites were established near Killarney and Deloraine.

There were 15 rotational grazing projects carried out including a number of rotational grazing tours. Producers examined various methods of extending the grazing season to lower winter feed costs in a cow/calf beef herd. Various producers grazed corn, four examined cereal swath grazing while another used annual ryegrass.

An additional project sought to determine whether sunflowers could be used to remove deeply leached nitrates from soil profiles. Research determined that sunflowers are an effective crop for removing soil nitrate-nitrogen at depths ranging to five to six feet.

Many of the above projects also included a communications component comprised of tours, newsletters, seminars, news releases, workshops and other activities.

Home Economics and Human Resource Management

The Home Economics Program was actively involved with farm families in the Southwest who coped with excess moisture with resulting financial concerns. Staff focused on providing human resource support to families and coordinating and facilitating the delivery of services within the region. Family Success and Wellness workshops were delivered across the region to over 200 participants. A series of videos related to Family Success and Wellness were distributed to churches, health units, libraries, and other community based organizations.

Newsletters as well as several newspaper columns on family issues during the flood were circulated within the region. Similarily, Home Economists worked with church, health and social service agencies, the Disaster Relief Team and many other community services and organizations. Interagency meetings were organized to increase awareness of farm crisis issues at the community level.

Staff continued to address the challenges of value-added and diversification with emphasis on opportunity identification and marketing. Several initiatives were also directed towards developing leadership capacity within the Region and consumer awareness in agriculture.

Agri-tourism was explored as an opportunity for diversification by a number of groups and individuals. Home Economists worked with tourism associations, which represented different businesses in the region. The groups participated in joint marketing projects and educational events. An Agri-tourism feature display was presented at Ag Days highlighting the opportunities, alternatives, markets and contacts for potential local entrepreneurs.

The two-day Direct Farm Marketing conference introduced marketing information and skills to the 127 participants. Participants came from the greenhouse, U-pick, roadside market, farmers market, entertainment farming, tea house and bed and breakfast industries.

Home Economists working with the Southwest Farm Women's Network, organized two tours exploring various diversification enterprises in the Hamiota and Birtle areas.

The *Agri-Venture Newsletter* was circulated to over 200 rural entrepreneurs. Several news columns, television and radio spots, focused on opportunities and skill development in the value-added, diversification and marketing areas.

In working with the Southwest Farm Women's Network and the 4-H Regional Council, a leadership training seminar was held to develop leadership skills among community members. A 4-H leadership week was held with four leader-training events delivered by Home Economists. Executive training and communications workshops were also delivered to 4-H members in the Region.

Further development of organizational strengths was initiated. Home Economists organized several events, which included a Farm Women's Seminar, two farm diversification tours, a coping strategies workshop and a leadership skills seminar.

Home Economists also worked with community groups to build leadership and community capacity. Some of these groups included the Community Development Corporations, Community Enterprise Centres, Heart Health committees, Healthy Community committees, Chamber of Commerce, Women's Institutes, Agriculture Societies, farmers markets, schools and the Manitoba Farm Women's Conference.

Consumer and agriculture awareness was emphasized through a number of activities. A tour aimed at bridging rural-urban understanding was organized for the Provincial Chamber of Commerce and displays were used throughout the year in local malls and centres to build consumer awareness.

Staff were involved in 359 presentations made to 9,373 participants. There were 110 news columns, 10 newsletters, 12 radio and television spots and 26 displays generated. Individual assistance included 5,418 general and 587 in-depth consultations.

Manitoba Crop Insurance

Southwest Region staff allocated approximately five percent of their time to the Manitoba Crop Insurance Program. In addition to detailed program explanations, staff involvement included Seeded Acreage Reports, Final Production Reports and Confirmation Reports.

Agricultural Crown Lands

Land Representatives located in Brandon and Neepawa administer agricultural Crown lands within the Southwest Region. Staff are responsible for administering the Crown lands identified for agricultural production and for encouraging improved management and production on these lands.

Staff administer long-term Forage Leases, Cropping Leases, Renewable and Casual Hay and Grazing permits on Crown land classified for agricultural use. In addition, staff administer and manage over 200,000 acres of Crown land in total. The Agricultural Crown Land Office represents the agricultural viewpoint at the local level (Southwest Bloc Planning Committee) regarding the Provincial Government's assessment of Crown land for multi-resource utilization. A major aspect of staff's responsibilities is the management of Crown lands to improve the carrying capacity on the Crown land, while maintaining the integrity of the natural areas.

The encroachment of brush on to open land areas remains a serious management concern. The problem is being addressed by promoting brush control methods such as controlled burns, mechanical methods (bark scrapers, roller choppers, bulldozing etc.), fire and chemical control. The infestation of Leafy Spurge is another major concern. Biological control and sheep grazing are being encouraged to control this problem. As well, to improve forage production and distribute grazing pressure more evenly on the pastures, several rotational grazing projects were encouraged and initiated. The most noteworthy demonstration is the Yellowquill Prairie Project which is being developed to demonstrate the above management techniques. This is a joint project between Nature Conservancy of Canada and Manitoba Agriculture and Food.

5 (b) Southwest Region

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	2,401.4	46.83	2,320.1	81.3	
(2) Other Expenditures	722.9		711.5	11.4	
TOTAL EXPENDITURES	3,124.3	46.83	3,031.6	92.7	

Central Region (5c)

Farm Management

Staff provide a farm management program for farmers in the areas of financial planning, credit, debt re-structuring, mediation services, risk management, production economics, adding value and diversification, marketing, business organization, taxation and family farm transfer consultations. Inter-generational farm transfer meetings were held in Pilot Mound and Roland. A number of courses were also delivered through the Manitoba Farm Business Management Training Project.

A total of 7,712 general farm management contacts were made with producers and 1,992 intensive contacts involved 295 farm families.

A strong emphasis was placed on marketing agriculture products throughout the region, including the support of 12 grain marketing clubs, five livestock clubs and one Agriculture Partner's club. Regional staff were involved with 48 marketing meetings. Staff participated in the support and promotion of the Crop Insurance Program, the Manitoba Producer Recovery Program, the Manitoba Farm Disaster Assistance Program, Net Income Stabilization Account Program, Agriculture Income Disaster Assistance Program (AIDA), and the Canada-Manitoba Adjustment Program (CMAP).

The new farm planning computer program called FarmPlan, was demonstrated to producers and lending institution personnel.

Value-added and diversification inquiries continued to increase as producers adapted to the new market realities of higher transportation costs in the grains and oilseed sector.

Crop Production Enhancement

Crop production activity involved 23,687 general and 3,732 in-depth contacts with clients.

The Central Region was involved in numerous cropping activities that addressed crop type and crop variety adaptation and new crop development. Staff were involved in replicated crop variety evaluations at Treherne, Portage la Prairie and Morris. All three sites are comprehensive satellite sites for the Manitoba Crop Variety Evaluation Trial (MCVET). Agronomic demonstration sites were established at the these three locations as well as at Altona, Baldur, Rosebank and Crystal City. Demonstrations involved such areas as new crop development, fertility manipulations, canola fall seeding, insect monitoring and disease scouting. Tours were conducted at each location with more than 700 people attending.

There were 95 one-day events such as tours, meetings and seminars addressing crop and livestock production. More than 5,112 clients attended these one-day events. Fourteen in-depth training courses were also offered with more than 339 clients attending. Topics included new crop opportunities, fusarium head blight management, winter wheat production, disease and insect update/management, herbicide product updates, genetically modified organisms and fertilizer management.

In 1999/2000 there were numerous on-farm tests coordinated by the Department. The tests were organized to evaluate new technologies with producers and to determine the economic viability of new products. Test results were compiled and presented at 15 meetings during the extension season to approximately 900 producers, 225 fertilizer dealers and 35 research scientists.

Livestock Production Enhancement

Central Region staff made 4,112 contacts with beef clients, including 1,118 in-depth consultations.

Beef clients were provided with extension input for a wide range of topics. Topic areas included: beef nutrition information, feed testing, ration building, rotational grazing systems, forage management, extended fall grazing, fencing and improved water systems and quality. Economics and farm management topics included beef cow lease agreements, pasture leasing, beef marketing information, feed lot management and budgeting. Producers requested and were provided with information on National Identification, Quality Starts Here, herd health practices, safe handling of cattle, manure management, environment guidelines and riparian area management. Staff supported the 4-H Program through judging and selection workshops, fat stock sales, 4-H beef shows, office administration and records.

Central Region beef production meetings included: the Holland Beef Day; Plumas Beef Seminar; Manitou Beef Meeting; Austin Beef Meeting; Somerset Beef Meeting; High Bluff Beef Meeting; MacGregor Beef Meeting; Clearwater Beef Meeting; the Morden Beef Feedlot School and Alberta Feedlot Tour.

Staff conducted 1,304 contacts with dairy producers through individual consultations, meetings and other events of which 466 of these involved in-depth consultations. Information and advice was provided on many topic areas including: forage quality; timing of harvest; storage; utilization and feeding; feeding management and ration formulation; dairy economic analysis; expansion budgets and financial management; cow comfort and facility design; manure storage management and utilization as a fertilizer resource; milking management; milk quality; mastitis prevention and control; and calf and heifer management and economics. The Central Manitoba Holstein Club conducted a fall tour to dairies in the Wawanesa and Brandon areas, held Dairy Day and produced several newsletters. Two Dairy Lighting Seminars were held in Holland and Winkler. The Forage and Dairy Specialists were involved in planning, coordinating and implementing a successful trade mission and display at World Dairy Expo.

Staff provided swine extension information to producers and agri-business through 2,748 consultations through individual contacts and group meetings. As part of the Manitoba Pork Advantage initiative, Regional staff participated in one European trade mission and one trade show in the United States. Information seminars in Europe attracted 454 individuals interested in the Manitoba agricultural industry. The Region also hosted 30 individuals from Europe to investigate Manitoba's agricultural industry. Regional activities included organizing four swine manure extension meetings, two swine marketing meetings as well as staff training on swine industry issues. Staff organized and delivered seven information meetings with 209 participants in attendance. These information meetings were associated with the Canadian Quality Assurance Program for pork.

Other activities by Regional staff included participating in the Agriculture Expo, assisting with the organization of the 14th Annual Swine Seminar and coordinating the Region's Technical Review Team.

4-H and Youth

Central Region had a 4-H membership of 1,188 members and 473 leaders in 1999/2000. District and Regional staff made 14,643 general and 1,489 in-depth contacts. Rural leadership development, communication skills training, meeting management experience, agricultural awareness and technical skill development were all supported by the 10 district councils, 63 clubs and Manitoba Agriculture and Food staff. The annual Regional Communications event organized by the Regional 4-H Council and the 4-H & Youth Specialist attracted 88 4-H members in eleven categories. Other regional 4-H events included the Senior Members Conference with 40 participants and the Central Region Adventure for Zestful Youth Camp for 53 intermediate 4-H members. The Central Region Educational Weekend provided a weekend camping experience for 53 junior 4-H members.

The Regional Light Horse and Pony Association planned a Regional 4-H Horse Show with 19 participants.

District 4-H Councils were involved in a variety of activities providing educational and other opportunities for members and leaders including rallies, fun bonspiels, potluck meals and recreational sports days.

The primary clients of the 4-H Program include 4-H members, parents and leaders. The program provides clients with an opportunity to improve their leadership, communication and life skills.

Soil and Water Conservation

In the second year of the Covering New Ground program, staff provided assistance to 14 Local Delivery Groups (LDG's). Within this program area, staff made 7,200 general client contacts and 490 in-depth contacts.

A total of $140,000 for sustainable agriculture projects was approved in the Central Region. The major focus of these projects was the ongoing support of producer directed demonstration and diagnostic sites highlighting sustainable cropping practices and soil conservation. Initiatives involved "Checkstrips" at three sites: Rosebank, Baldur and Crystal City, "Forages for the Future" in Altona and "New Crop Adaptation" in Morris and Portage la Prairie. The sites provided a diagnostic component for clients interested in Integrated Pest Management. Over 490 interested clients participated in activities such as field demonstrations, soil conservation trials and sustainable crop rotation plots.

The South Tobacco Creek Project was directed by the Deerwood Soil & Water Management Association. This project includes a detailed study of agricultural land use in relation to environmental factors such as water quality/quantity. Research activities included small dam headwater storage, preservation of water quality through headwater storage, comparison of run-off water quality between conventional and zero-tillage, the study of manure applied to a small watershed, the analysis of sediment loading in the watershed and maintenance of background run-off water quality data.

Home Economics and Human Resource Management

The Regional Agri-Ventures bus tour occurred again this year attracting 47 individuals interested in learning about diversification/value-added opportunities and the marketing techniques of local entrepreneurs. Staff continued to work with three agri-tourism networks throughout the region. Members of the South Central Tourism Network developed a touring guide and the Central Plains Tourism Network also printed a brochure. Staff worked with farmers markets and agricultural societies to improve the marketing of products and the understanding of value-added products development. One Home Economist served as a member of the planning committee for the Producers Make It Happen Conference.

Home Economics staff continued to support farm safety programming. The ABC on the Farm Safety provincial training was organized with 23 participants attending. This train-the-trainer process will assist in communicating the farm safety message across the province, and specifically in the region with the nine certified trainers from the region. Student safety trails were held in Morris at the Agriculture Expo and 322 youth participated in a student safety trail in Morden. Safety presentations were made in several communities, including two Hutterite colonies. All farm safety programming was completed in co-operation with community resource individuals and agencies. Staff served as a resource for two communities by addressing rural child care concerns.

Staff continued to support the leadership development initiatives within the 4-H, Agricultural Society and Women's Institute programs. Staff supply both technical and leadership development information for clients in the 4-H program. The new Leadership In Action project allows members to learn leadership skills through their involvement as Junior Directors on a fair board.

The excessive moisture in the Spring of 2000, resulted in significant concern from farmers. A Stress seminar was held to provide support during this time. The seminar attracted 100 participants from the rural communities.

Agriculture Awareness programming was presented at a local mall with 600 people in attendance. All Home Economists in the region co-operated with Eastern/Interlake Home Economists in staffing two major mall displays involving agriculture awareness. Biotechnology and food safety is a major concern for many consumers. Staff worked on the planning committee for a major regional conference and also addressed this issue at smaller district meetings.

A major seminar was held addressing all areas of marketing from the kitchen, to the international level. This event attracted 92 participants.

Staff made over 5,500 general contacts and 54 in-depth contacts. A total of 232 one-day events were held.

Value-Added and Diversification

Staff provided value-added and diversification information to farm families, entrepreneurs, agri-business and producer organizations in the area. Staff made a total of 5,007 general contacts and 303 in-depth consultations.

Central Region staff organized tours throughout the year including four tours giving producers an opportunity to learn about new developments in research that could lead to new value-added initiatives. The Biotechnology and Nutraceutical Opportunities Tour held in Saskatoon attracted 28 producers who met with representatives from Agriculture and Agri-Food Canada, Agrevo and the University of Saskatchewan. A Livestock, Forage and Grain Marketing Tour with 40 producers traveled to Alberta to learn about grain and livestock marketing information, bean and sunflower processing plants, feedlots and beef processing facilities.

An inter-Departmental committee of representatives from Manitoba Agriculture and Food, Intergovernmental Affairs, Conservation, Industry Trade and Tourism, PFRA and Community Futures met quarterly to focus on value-added opportunities for the region.

Approximately 1,650 producers attended informational meetings held in the region which provided information on opportunities in hemp, soybeans, oriental vegetables, sea buckthorn, nutraceutical crops, hogs, elk, hay marketing, processing and marketing new food products.

Manitoba Crop Insurance

In co-operation with Manitoba Crop Insurance Corporation (MCIC), Central Region staff allocated seven percent of their time to the Crop Insurance Program. Staff routinely assisted in the explanation and compilation of over 4,000 Seeded Acreage Reports, 4,000 Harvested Production Reports and the sale of additional hail insurance.

Staff were involved in the four Manitoba Farm Disaster Assistance Programs (MFDAP): Custom Seeding; Unseeded Acreage; Forage Restoration and the Hay Shortfall program. The Custom Seeding program, which was coordinated by a member of the Central Region staff, provided $5.8 million dollars in compensation to Manitoba farmers. The Unseeded Acreage provided $57.8 million dollars, Forage Restoration program provided $3.7 million dollars and the Hay Shortfall program provided $3.1 million dollars. In total, over $70 million dollars in financial assistance was provided with counseling and technical advice to Manitoba farmers who were affected by excessive moisture conditions in 1999.

Engineering

The Central Region continued to place a strong emphasis on manure and environmental management. Five working committee meetings were held to develop standards for intensive livestock operations. Preliminary drafts have been completed on standards for site characterization and manure storages for the Tri-Provincial Standards Committee. Six technical reviews on intensive livestock operations were completed. In addition five presentations on Manure Storage and Application were presented within the "Manure As A Resource" series of extension meetings. Three tours involving livestock facilities and manure storage/application were organized. Staff assisted with the revisions to the new Hog and Poultry guidelines.

There were 30 in-depth consultations on engineering design. These consultations were directed at livestock facility/ventilation, grain storage/handling, farmstead planning and environmental assessment issues.

Agricultural Crown Lands

Land Representatives located in Neepawa, Teulon and Dominion City administer agricultural Crown land within the Central Region. Land Representatives, in co-operation with Regional staff and the Agricultural Crown Lands Branch, administer the disposition of agricultural Crown land and encourage enhanced land management.

Staff administer long-term forage and cropping leases on Crown land classified for agricultural use. The assessment of Crown land for multi-resource utilization is the responsibility of the Central Bloc Planning Committee and Southwest Bloc Planning Committee.

5 (c) Central Region

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	2,207.5	45.79	2,240.1	(32.6)	
(2) Other Expenditures	721.4		711.0	10.4	
TOTAL EXPENDITURES	2,928.9	45.79	2,951.1	(22.2)	

Eastern/Interlake Region (5d)

Farm Management

Farm Management information was delivered to producers and agri-businesses through 5,503 general contacts, 1,598 in-depth consultations and 34 farm management extension meetings.

A series of 14 farm transfer meetings were held throughout the region. These meetings were attended by 295 individuals.

Staff were also involved in government safety-net programs such as Agricultural Income Disaster Assistance (AIDA), Net Income Stabilization Account (NISA) and the Manitoba Crop Insurance Program.

The majority of contacts involved topics such as financial management, marketing, record keeping and estate planning.

Crop Production Enhancement

Crop production information was provided through 18,838 individual general contacts and 4,178 in-depth consultations.

Cash hay markets continued to be an important area of interest to the forage industry in the region and staff were involved in: sourcing new dairy markets in the United States; developing trade missions and displays such as the World Dairy Expo in Wisconsin; and developing newsletters targeted for regional hay producers and marketers. Regional hay lists continued to be important in identifying potential supplies for local and export markets.

Staff continued to focus their forage extension efforts on improving the quality of harvested hay. Extension activity was centered on hay testing and sampling to provide hay producers with a suggested date for harvesting a high quality product.

Staff continued to support the development of the Region's hay processing industry. Two processing facilities are in operation in the region. Staff assisted in the development of new projects. As well, their knowledge on the new hay processing industry provided the interested public with answers on developing processing facilities. Extension activities focused on promoting related technology to regional producers.

Grazing management was of increased interest to clients in the region, by both traditional livestock producers and general crop farmers who are considering diversifying into forages and livestock. Regional staff organized a provincial grazing school, as well as several regional tours and short courses. Pasture planning workshops and on-farm consultations continued, and included projects with hog operations, utilizing hog manure as a fertility source for pastures.

Regional staff worked on the provincial forage adaptation and variety testing program, with test centres at Arborg and St. Pierre, and sites in Carman, Neepawa, and Roblin. An additional forage demonstration centre is located at Vita. Activities included both herbage and forage seed evaluation and evaluation of winterhardiness of forage cultivators.

Regional staff were involved in forage research and development in Western Canada for both forage seed and forage management. This involvement occurred in co-operation with Agriculture and Agri-Food Canada, other provincial departments, seed trade companies and the University of Manitoba. Staff assisted in the publication of *Seed Manitoba* and in supervising the publication of the *Forage Seed News,* a national publication.

Regional staff assisted provincial specialists in evaluating, testing and promoting new cropping options, focussing on winter wheat, soybeans, edible beans, and hemp. Staff provided local regional data on the performance of new varieties through the use of three Manitoba Crop Variety Evaluation Trial (MCVET) sites.

Regional staff assisted in the writing and editing of provincial publications providing producers with timely crop production and protection information. District, regional, provincial crop production meetings, and tours were organized and 120 presentations on crop related topics were made.

Staff participated in rotational grazing demonstrations and various forage related projects located at the Narcisse Community Pasture, the South East Forage and Livestock Center, and the Seven Sisters Grassland site. The goals of these projects were to demonstrate effective pasture management, maximize gain on pasture, forage varieties and to continue to attract producers as consignors of cattle and tour/workshop participants.

Soil and Water Conservation and Sustainable Agriculture

Projects were approved for Covering New Ground; an agricultural sustainability funding program. There were nine participating groups that received $123,700 in funding for 66 projects.

On-farm conservation and sustainable agricultural activities involved over 2,783 individual contacts and approximately 612 in-depth consultations. As well, 2,200 producers participated in 40 meetings, 10 field tours and 22 field days.

Staff responded to 284 subdivision requests including the inspection of 146 sites to evaluate those requests. Ten meetings were held with farmers and municipalities on livestock manure management, zoning issues and land use. Staff continued to assist seven planning districts, as well as review their development plans and zoning bylaws. One farm practices complaint was reviewed and submitted by staff to the Provincial Farm Practices Protection Board. Staff prepared technical reviews on 15 various livestock proposals.

Livestock Production Enhancement

Livestock extension activities included 6,089 general contacts and 2,532 in-depth consultations.

Beef Extension

Staff made 3,329 general contacts and 1,566 in-depth consultations relating to production, nutrition, breeding, insect and disease control, pasture management, livestock facilities, record keeping and performance programs, as well as marketing. The Region also hosted three of five Manitoba Beef Week Seminars, which were held in Rosseau River, Teulon and Eriksdale.

Over 600 producers and 100 members of the agriculture and agri-business community attended these sessions which addressed topics such as forage fertility, cattle market outlook, strategic alliances in the beef industry, grazing alfalfa and "cashing in" on the cow herd. During the year, other district meetings were held throughout the region and addressed topics such as backgrounding nutrition, marketing, animal health, silage production, mineral nutrition, feed processing, fly control, bull evaluation and selection, and cow-calf management.

The Gunton Bull Test Station, a livestock evaluation center, conducted tests on over 250 bulls and heifers. The Station hosted numerous extension events including a hands-on feedlot seminar that dealt with marketing, feeds, nutrition and vet protocol for beginning feeding operations. The Centre held several education events for students at Red River College, the University of Manitoba and 4-H beef and dairy clubs in the Region. The station also has several projects underway in conjunction with Agriculture and Agri-Food Canada and the University of Manitoba.

Dairy Extension

Dairy extension activities included 734 general and 362 in-depth consultations. The region's two dairy clubs, comprised of 450 dairy producers, continued their activities. Staff organized regional and district dairy seminars, tours and clinics which included topics such as milking management, udder health, estate planning, nutrition, facility expansion and improved efficiencies in dairy operations.

Agricultural Engineering Extension

Agricultural engineering extension included 210 general and 265 in-depth consultations. Engineering activities covered beef, dairy and swine, with an emphasis in addressing beef facilities regarding environment modification or corrections. Other activities included: comparison of manure fertilizer application methods on forages; drainage design; construction and demonstration at the Gunton Bull Testing Station; design of veterinary clinic beef handling systems in Lundar and Ashern, and the preliminary design of the Arborg Veterinary Clinic. The large increase of livestock production in the region had a substantial effect on the number of technical reports prepared.

Swine Extension

Swine production continued to increase. The Eastern/Interlake Region provides 60% of the province's sow herd and approximately 2.8 million pigs of Manitoba's annual production.

Staff were involved in 1,403 general and 382 detailed consultations relating to pig production. A regional swine seminar was held in Selkirk. In addition, eight Quality Assurance meetings and six district swine extension meetings were held throughout the region.

The emphasis of the swine extension meetings was on providing information on ration formulation, breeding management, and environmental information. Regional assistance was provided to provincial Specialists in revising swine budgets.

4-H and Youth

Regional staff supported an active 4-H program, which involved 1,025 members and 461 4-H leaders participating in 60 4-H clubs. The focus of the Region's program was to provide training and opportunities in communication, leadership, and skill development.

In conjunction with the Regional 4-H Councils several regional activities occurred, such as: training events, a senior conference, three intermediate conferences, two regional communications events, two horse shows, and bursary awards.

Eleven district councils, in co-operation with Manitoba Agriculture and Food staff, organized rallies, fun days, 10 district leader appreciation nights, achievement awards, as well as other events.

During the year, staff made 12,360 general contacts and 638 in-depth contacts with 4-H clients. Clients can use the 4-H program as an opportunity to improve their leadership, communication, production and life skills.

Home Economics and Human Resource Management

Family Connections, in its 25th year of publication, was written and edited by Regional Home Economists on Manitoba's agriculture and agri-food industry. The magazine published quarterly, has a circulation of over 3,000 farm and rural families. Selected articles are posted on the Manitoba Agriculture and Food website.

A small business touring series titled "Ideas, Ideas, Ideas"; organized by the Region's Home Economists attracted 105 small business owners interested in supplementing their income. The initiative included four separate tours including: "Selling What You Sow", "Tea Rooms and Craft Houses . . . More Than a Dream", "Gearing Up Your Outfitting Business", and "Putting Family Favorites on Safeway's Shelves".

Home Economists worked with local economic development boards, rural municipalities, farm families, and rural entrepreneurs to develop the South East Tourism Network, Red River Tourism Network and East Central Tourism Network brochures.

Home Economists, in conjunction with Central Region staff, organized and staffed two mall displays in Winnipeg. The displays were designed to increase the awareness of the agriculture and agri-food industry amongst urban consumers. The largest display, "Where's Agriculture", attracted more than 1,300 individuals and "Pizza Pizzazz" attracted 1,029 individuals.

Human resources program activities included: farm safety, leadership development, 4-H, agricultural societies, women's institutes and other groups. Regional Home Economists were involved in 1,622 in-depth consultations, and 9,987 general contacts.

Value-Added and Diversification

Staff provided advice and technical information to producers and rural entrepreneurs on a variety of value-added and diversification ventures. Information included business development, marketing, financing, production technology, and the economics of value-added and diversified agricultural products.

Consultations, seminar presentations, and tours were held involving such areas as: sea buckthorn, hemp, Christmas trees, woodlots (hybrid poplar), herbs, and spices, agri-tourism, organic production, greenhouses, market gardens, U-pick fruit and vegetables, food processing, food service, mushrooms, consumer trends, marketing, and venture investing.

Agricultural Crown Lands

There were four Lands Representatives who administered 1,026,266 acres of agricultural Crown land. In addition, 49 casual hay/grazing, and 563 renewable hay/grazing permits were issued. There were 44 crop lease holders.

Manitoba Agriculture and Food staff initiated two projects with leasees to demonstrate the integration of range management principles into their ranching practices.

5 (d) Eastern/Interlake Region

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	3,067.0	66.46	3,229.1	(162.1)	
(2) Other Expenditures	1,194.7		1,238.9	(44.2)	
TOTAL EXPENDITURES	4,261.7	66.46	4,468.0	(206.3)	

Agricultural Crown Lands (5e)

The primary objective of the Agricultural Crown Lands Branch is to make Crown land available for agricultural production, and along with extension colleagues improve the productivity of these lands through improved management techniques.

The Branch represents the agricultural viewpoint in the Provincial Government's assessment of Crown land for multi-resource use. Staff participate actively on the Bloc Planning Committee and the Crown Land Classification Committee to ensure that suitable lands are classified for agricultural use.

During 1999/2000, the Branch provided administration and management of 2.4 million acres of Crown land with 2,379 long-term forage leases involving 1.6 million acres and 87 cropping leases, involving 14,532 acres, of which approximately 9,000 acres are cropped. The remaining lands are offered for permit on a yearly basis.

Crown Lands staff provides a liaison with Prairie Farm Rehabilitation Administration and the pasture program which operates primarily on Provincial Crown land. During the 1999 summer grazing season, approximately 52,859 head of cattle and 3,337 horses used 24 community pastures.

5 (e) Agricultural Crown Lands

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	642.2	15.00	614.8	27.4	
(2) Other Expenditures	278.3		278.3	-	
TOTAL EXPENDITURES	920.5	15.00	893.1	27.4	

Policy and Economics (6)

The Policy and Economics Division coordinates long-term policy and program development for Manitoba Agriculture and Food. This Division conducts analysis and provides agricultural statistics, marketing and production information to the general public and staff. Policy and Economics provides funding for the administration of various boards and commissions and to the University of Manitoba in support of agricultural research.

Economics (6a)

The primary objectives of the Economics Branch are: to provide analysis/evaluation and management support documents towards enhancing the economy and effectiveness of the Department's programs and activities; to provide central budget/estimates support through the preparation of narratives through all major phases of the Department's Estimates process; to provide coordination of long term policy and program development within the Department; and to provide agricultural statistical, marketing and production information to farmers, the agriculture and agri-food industry and staff.

Program Analysis Section

During 1999/2000, the Program Analysis Section prepared and coordinated program narratives for the Department's preliminary and final Estimates document, *the Supplementary Information for Legislative Review* publication and other explanatory documents in support of Manitoba Agriculture and Food's proposed budget. Also, staff coordinated and edited the *Estimates Debate Book* in conjunction with the Financial Administration Unit of the Department.

The Program Analysis Section coordinated and edited an updated version of the *Programs and Services for Agriculture and Food* profiles found on the Department's Home Page. These profiles are designed to inform readers of available client services provided by the Department. In addition, the Section also coordinated the annual updating of other various documents.

Program Analysis provided program information to central and external agencies. The Section coordinated the completion of several surveys, including compilation of data on the Department's research and scientific activities. As well, the Section provided leadership and central information support, in assisting the Department with the creation of a new plan. It is expected that the new plan will be released in early 2001.

Along with Boards & Commissions Support Services, the Section provided central support and advisory assistance to the Department executive, management, and staff in the development of its business plan program profiles submitted to Treasury Board. Furthermore, a Section staff member coordinated and organized fund raising events and volunteer activities for the Department's 1999 All Charities Campaign.

The Branch Director, who chairs the Home Page Management Committee, provides leadership in coordinating information on the Department's Home Page. The Department's Home Page is located on the World Wide Web, where producers, agribusiness, and Manitoba Agriculture and Food staff obtain timely information concerning crop production, livestock production and current climate conditions. Furthermore, the Home Page serves as a tool, to inform the general public about Manitoba's diverse, safe and nutritious products. Staff maintain over 8,000 files online, and the site receives over 100,000 hits per month.

Policy Analysis Section

During 1999/2000, the Section participated in agricultural policy review processes such as safety net development, international and internal trade, transportation, grain marketing and adaptation and adjustment initiatives representing Manitoba. Staff were involved in regional and provincial meetings to update producers and staff on agricultural policy issues.

Staff participated in a federal-provincial process to revise the Framework Agreements that guide the development and management of safety nets in Canada. As well, staff was involved in the implementation strategy for Manitoba's Agricultural Income Disaster Assistance (AIDA) program. Staff took part in the development and implementation of the Manitoba Farm Disaster Assistance Program (MFDAP) for producers affected by excessive moisture conditions in the spring of 1999. Staff designed and helped organize the Canada-Manitoba Adjustment Program (CMAP) which provided adjustment assistance to grain and oilseed producers facing increased freight costs in a time of low commodity prices.

The Section participated in the continued development of the Agri-Food Research and Development Initiative (ARDI) from policy, program and operational perspectives. Staff also provided the secretariat and some research proposal review services for the ARDI Council.

Policy Analysis continued its participation in the subsequent federal process facilitated by Arthur Kroeger, intended to provide input on the implementation of the Estey grain handling and transportation recommendations.

The Section provided input for bilateral trade negotiations with the United States (US) on issues such as sugar, dairy, cattle and grain and with the European Union (EU) on issues such as the hormone ban in cattle. Considerable effort was focussed on the US Department of Commerce countervail and anti-dumping investigation against live cattle exports. Staff guided Manitoba's participation in the Northern Plains Producers Conference, which aimed at developing a better understanding between producers of their commonalties and on trade issues in Canada and the US. Staff continued joint development on a strategy with stakeholders for the next round of World Trade Organization (WTO), and provided input on Sanitary/Phytosanitary (SPS), and genetically modified organisms (GMOs) issues. Staff represented Manitoba in the Federal-Provincial Agricultural Trade Policy Committee (FPATPC).

The Section reviewed the implementation process for the new CWB Board of Directors, their domestic wheat pricing system and advised on maximizing Manitoba's value-added opportunities.

Staff assisted in further development of New Generation Cooperatives as a model for value-added agricultural activities. Staff also further developed and implemented a Motivation, Morale and Recognition Strategy for Manitoba Agriculture and Food, which included a formal recognition program plan, a tailor-made Toolkit for Managers, and a Managing to Motivate workshop series.

Market Analysis & Statistics Section

The Market Analysis and Statistics Section assisted Statistics Canada with data preparation and advised Statistics Canada staff on selected Manitoba agricultural statistics. The section published the annual *Manitoba Agricultural Review* and the annual *Manitoba Agriculture Yearbook*. Statistical releases were prepared on items such as farm cash receipts, net farm income, farm finance and bankruptcies, crop production estimates and trade data. Other publications prepared by staff included *Manitoba Agricultural Statistics*, *Manitoba Livestock Industry Profiles*, *Manitoba Poultry Industry Profiles*, *Manitoba Grains* and *Oilseeds Industry Profiles*, *Manitoba Specialty* and *Forage Crops Industry Profiles* and *Manitoba Potatoes* and other *Vegetables Industry Profiles.*

A large portion of staff time involved assisting producers and other members of the agri-food industry with requests for agricultural statistical and marketing data and forecasts.

The Market Analysis and Statistics Section prepared and published the *Manitoba Markets Weekly Report* which summarizes crop and livestock market conditions. An annual market outlook report was released in early January, with public presentations on this material being made at Ag Days in Brandon. Staff also participated in regional meetings to update farmers and staff on current market conditions and prospects.

Staff participated in the assessment of appropriate crop prices for use in various programs such as those administered by the Manitoba Crop Insurance Corporation (MCIC) and the Manitoba Agricultural Credit Corporation (MACC).

6 (a) Economics

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	1,115.5	19.00	1,123.5	(8.0)	
(2) Other Expenditures	297.1		271.2	25.9	
TOTAL EXPENDITURES	1,412.6	19.00	1,394.7	17.9	

Boards and Commissions Support Services (6b)

This Branch includes the following council, agency, boards and commission:

- Manitoba Natural Products Marketing Council,
- Manitoba Milk Prices Review Commission,
- Manitoba Farm Machinery Board,
- Agricultural Producers' Organization Certification Agency,
- Manitoba Farm Practices Protection Board
- Manitoba Farm Mediation Board, and
- Manitoba Farm Lands Ownership Board

Manitoba Natural Products Marketing Council

The objective of the Manitoba Natural Products Marketing Council is to provide effective administration of *The Natural Products Marketing Act*. The Council is responsible for supervising the operations of various producer boards and marketing commissions. It serves as an appeal body for individuals affected by the decisions of these boards and commissions.

Staff supports the work of the Council members by providing required background documentation and analysis for meetings and appeals. They review regulatory proposals and amendments as well as national marketing issues. Council staff also advises the Department Executive on marketing policy issues and respond to public and producer inquiries. They maintain regular contact with management staff of the boards and commissions, other provincial supervisory councils and the National Farm Products Council.

In 1999/2000, the Council supervised the following producer boards and marketing commissions:

- Manitoba Broiler Hatching Egg Commission,
- Manitoba Chicken Producer Board,
- Manitoba Egg Producers,
- Manitoba Pork Council,
- Manitoba Beekeepers' Association,
- Manitoba Milk Producers,
- Manitoba Turkey Producers, and
- Peak of the Market

The Council convened 12 meetings at which four appeals were heard and presentations were made by 15 delegations. The Council's principle activities were focussed on: the proposed Quota Order amendments for the chicken industry; egg allocations to meet the demand of the processing sector; hog producers registration, hog price reporting, as well as initiating an appeal to the National Farm Products Council concerning the Canadian Egg Marketing Agency's Quota Allocation.

Manitoba Broiler Hatching Egg Commission

The principle issue facing the broiler hatching egg industry was the volume of imported eggs that are brought into the province, resulting in an under-utilization of the provincial quota allocation. Efforts were made to encourage the domestic hatcheries to place more breeders locally. Canada's trade obligations allow 21% access, yet Manitoba continues to receive approximately

30-35% of its requirements as imports. The lost income at the producer level was estimated to be $4.7 million annually. Manitoba's quota is set at 4.18% of the national quota, and is in jeopardy of being permanently reduced to 3.5% of the national quota.

The Commission has been developing a revision to the Producer Registration and Hatchery Licensing Regulation. Producers and hatcheries were consulted. The Commission has been striving to have the hatcheries move to an 80:20 domestic import split. The Commission incorporated requirements in the Regulation for hatcheries to have binding contracts with producers such that producers are not prevented from fulfilling their production quotas.

Manitoba Chicken Producer Board

The Board proposed a number of regulatory amendments and one amendment to *The Natural Products Marketing Act*. The following amendments remain under consideration:

i. amendment to change the "facility standards" of chicken broiler facilities;
ii. amendment to eliminate the 10% "Transfer Assessment Fee" on the Quota Retirement System;
iii. amend the provincial requirement from one-third to 10% Basic Allotment of quota that must be given to new entrant; and
iv. request to amend *The Natural Products Marketing Act* (the Act) to provide for production controls.

The proposed amendments to the Quota Order and the Act remain under consideration.

The following significant changes occurred in the Manitoba chicken industry in recent years:

- 600,000 kgs. basic quota added in each of 1998, 1999, and 2000 for a total of 1,800,000 kgs.;
- 14 new entrants over the three-year expansion;
- up to 900,000 square feet of new production facilities;
- total capital cost of $14M;
- doubling of provincial maximum from 100,000 kgs. to 200,000 kgs.;
- minimum farm size increased to 30,000 kgs./cycle; and
- introduced a Consolidation of Quota Policy.

Manitoba Egg Producers

The Manitoba Signatories filed a formal complaint with the National Farm Products Council against the Canadian Egg Marketing Agency's (CEMA) decision to seek prior approval to a quota order amendment that would increase each province's allocation by the equivalent of 810,274 laying hens excluding Manitoba and the North West Territories (NWT).

The proposed allocation would distribute additional over base eggs (equivalent to 810,274 laying hens) across the country (excluding Manitoba and NWT) while adding additional unnecessary costs to consumers and producers. A decision on the appeal is pending.

The Manitoba Signatories were also advised that CEMA intended to suspend payments to Manitoba for industrial product if Manitoba was not in compliance with the quota order and if the Liquidated Damages Assessment for "Grow For Processing" laying hens was not paid.

The Manitoba Signatories complained that the Liquidated Damages Assessment Resolution sets out a procedure for determining if a provincial commodity board has failed to ensure that the number of regulated hens and hens allocated is consistent with a province's quota allocation. The CEMA revoked its suspension notice and the review and possible appeal are pending.

Manitoba Milk Producers

Manitoba Milk Producers marketed 287.3 million litres of milk during 1998/1999 as compared to 284.5 million litres in 1997/98. This represents an increase of 2.7 million litres, or 0.95%. Total butterfat production increased by 1.12%, from 10,768,658 kgs. in 1997/98 to 10,889.583 kgs. in 1998-99. The butterfat content increased slightly from 3.78449 kg/hL to 3.79079 kg/hL representing an increase in the butterfat test of 0.0063 kg/hL or 0.17%.

Manitoba Milk Producers continued to participate in an all market and all revenue sharing agreement with Saskatchewan, Alberta and British Columbia. Over the 1998/99 dairy year the Coordinating Committee met three times to discuss and set policy with respect to the Western Milk Pool. The Technical Committee met four times to review policies proposed by the Coordinating Committee.

Manitoba Pork Council

The Council received a proposed Hog Information Order that would require a system for processors and agents to report marketing information to the Manitoba Pork Council concerning the number of hogs purchased, the names of producers from whom hogs were purchased, and the prices paid for the hogs. Discussions with the processors on an acceptable reporting system remain ongoing. The system was expected to meet the needs of producers and ensure the confidentiality of information provided by the processors. Several meetings with the processors and agents were held that did not result in a consensus on an acceptable reporting system. Consequently, the Order was not put into effect.

The Hog Administration Levy remained at $0.85 per hog and $0.20 per exported weanling.

Manitoba Turkey Producers

The Board continued to administer the winter tom and hen programs, export regrow and live export programs, as well as the multiplier breeder growth program.

Approval was given to amend the Turkey Penalties Levies Regulation from $0.22 per kilogram to $0.30 per kilogram of turkey marketed. The levy is imposed on over-marketing of quota and temporary permits as well as unauthorized marketing.

Peak of the Market

Peak of the Market continued its strong sales growth in table potatoes, root crops, and summer crops. There were no regulatory issues or complaints arising in the fiscal year.

Manitoba Milk Prices Review Commission

The Manitoba Milk Prices Review Commission was established under *The Milk Prices Review Act*, 1980. Its mandate is to set a producer price for fluid milk and to monitor and control wholesale and retail milk prices as required. For the period April 1, 1999 to March 31, 2000, the Commission had two meetings and one conference call.

The Commission met with Manitoba Milk Producers to determine if new producer, wholesale and retail prices for fluid milk were required. The Manitoba Dairy Farm Cost of Production (COP) Summary showed a price decrease of $0.97Hl for the producer, decreasing the producer price for fluid milk from $61.84Hl to $60.87Hl. The Commission recommended that the fluid milk price at the producer level not be changed.

In setting the producer price equal to the cost of production, the Commission establishes a fluid butterfat payment/deduction to producers for milk with a butterfat content above/below the 1989/90 dairy-year average level (3.7034 kg of butterfat/Hl of raw milk). This adjustment continued to be valued at $5.3000/kg of butterfat.

Manitoba Farm Machinery Board

The Farm Machinery Board administers *The Manitoba Farm Machinery and Equipment Act*, involving the Board with all segments of the farm implement industry: producers, dealers, distributors and manufacturers. For the period April 1, 1999 to March 31, 2000, seven Board meetings were held. In addition, the Board's administrative staff, and a committee of the Board, held two additional mediation meetings. On July 1, 1999 a new Farm Machinery and Equipment Act was proclaimed and new regulations were approved. *The Farm Machinery and Equipment Act* requires lenders financing farm machinery by means of a lien note security document, to apply to the Board for leave to repossess when an account falls under arrears and before repossession can occur. Manitoba is the only jurisdiction in Canada requiring a quasi-judicial body's judgement before farm machinery repossession can occur.

For the period April 1, 1999 to March 31, 2000, the Board received and processed 112 applications for leave to repossess, a decrease of 82 (58%) over the same period in 1998/99.

Agricultural Producers' Organization Certification Agency

The Agricultural Producers' Organization Funding Act requires that the Agency certify one general farm policy organization and provide a funding mechanism for designated commodity organizations.

For the period April 1, 1999 to March 31, 2000, the Agency convened two meetings and one conference call.

Every year the Agency conducts a meeting with all the designated commodity associations to review their activities from the past year and to be informed about their anticipated projects for the upcoming year. The Annual Review for the fiscal year 1999/2000 remains pending.

The Agency held a referendum to determine if the National Sunflower Association of Canada had the support of at least 60% of sunflower producers as per Section 32(2) of the Act. The results indicated that only 41% of sunflower producers supported the Association's designation. Therefore, the National Sunflower Association of Canada was not designated as the representative organization of sunflower producers.

The Manitoba Buckwheat Growers Association Inc. submitted a petition to the Agency for designation. The Agency is currently working with the Association to meet the related statutory requirements.

The Manitoba Flax Growers Association is in the process of submitting a petition to the Agency for designation. The Agency will continue to work with the Association in developing the association's petition.

Manitoba Farm Practices Protection Board

The Farm Practices Protection Act establishes a process for reviewing and mediating disputes arising from practices of legally established agricultural operations. The Act aims to protect agricultural operations that are conducting their activities in a normal manner, as well as to bring about changes in practices that are unacceptably disturbing neighbors.

During 1999/2000, the Board convened two meetings and heard two complaints, one relating to an odour disturbance and the other to a smoke disturbance. The Board upheld the two complaints and ordered the agricultural operations to modify their farm practices consistent with normal farm practices. Revisions to the Farm Practices Guidelines for Poultry were completed and revisions to Dairy and Beef are continuing.

Manitoba Farm Mediation Board

The Manitoba Farm Mediation Board conducts the program delivery activities of *The Family Farm Protection Act*. The Board assists farmers in improving and sustaining their farming operations under difficult economic conditions through mediation with their creditors, financial counseling, and loan payment guarantees.

During 1999/2000, the Board received 191 applications from both farmers and lenders for assistance in resolving financial difficulties. This resulted in 177 new mediation cases. There were 97 cases in progress from the previous year, for a total of 274 cases for mediation. Of this total, 197 cases were completed during the year, 150 of which required mediation. Of those cases mediated, 116 resulted in an agreement, representing a success rate of 77%.

The Board also administers the Special Farm Assistance Fund. The Fund was established to help producers obtain an arrangement involving continued credit facilities or a leaseback of property conveyed to creditors. Three types of guarantees were offered in 1999/2000, namely loan payment guarantees, lease payment guarantees, and security value guarantees. Emergency operating assistance may also be provided in urgent situations. In order to qualify for a guarantee, the operation must demonstrate viability, and the producer, the lender and the Board must agree to a farm financial plan.

In 1999/2000, the Board approved guarantees for 48 new farm clients, with a total liability of $1,514,486 over a maximum four-year period. There were 36 farmers who had guarantees during the year, with a total potential liability of $581,153. The actual amount paid was $58,481, or 10.1% of the liability. The fund is provided through the Manitoba Agricultural Credit Corporation.

In 1999/2000 the Board held eight meetings to review activities and policy issues, and to consider guarantee requests.

Farm Lands Ownership Board

The Farm Lands Ownership Board considers applications for exemption under the *Farm Lands Ownership Act*, from non-Canadians and public organizations who wish to acquire interest in farm land in Manitoba. The objective of the Act is to ensure that farmland resources are preserved for existing and future generations of Canadians.

The Act allows unrestricted ownership by all Canadian citizens and permanent residents, strictly Canadian owned organizations, and qualified immigrants. Individuals or corporations not qualifying for unrestricted ownership are limited to 40 acres of farmland unless they receive an exemption from the Board.

In 1999/2000, the Board received 47 applications for exemption under the Act. Thirty of those applications involved non-Canadian individuals and corporations, while the remainder involved Canadian-based corporations and other organizations. There were three applications still under consideration from the previous year. Of the fifty applications that were considered, 45 were approved, four were declined, and the remaining one was still under review at the end of the year. In 41 of the cases (84%), the Board's decision was made within 30 days of receiving the application.

The Board met eight times in 1999/2000 to consider applications for exemption and to review policy issues.

6 (b) Boards and Commissions Support Services

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
(1) Salaries and Employee Benefits	378.7	7.19	392.7	(14.0)	
(2) Other Expenditures	572.1		509.8	62.3	
TOTAL EXPENDITURES	950.8	7.19	902.5	48.3	

Agriculture Research and Development (7)

Agri-Food Research and Development Initiative (7a)

The objective of the Agri-Food Research and Development Initiative (ARDI) is to provide funding for research and development which will enable the successful and progressive growth and adaptation of Manitoba's agriculture and agri-food industry within the changing global marketing environment.

The Province of Manitoba contributed $1.7 million to ARDI in 1999/2000 for a total Federal/Provincial contribution to agricultural research and development of $21.5 million since the establishment of the program in 1998. ARDI has the objective to provide, on average, 50 percent of total funding for research and development projects, with matching dollars contributed by industry. This will translate into new investments in research and development totalling $43.0 million in Manitoba.

ARDI provides project-by-project financial support to commodity groups, individuals, industry and institutions based upon expected potential for return on investment dollars. This program focuses on value-added, processing, enhanced production and exporting of higher value products.

There are three major partners involved in the management of the ARDI program. The ARDI Program Council is responsible for developing ARDI program objectives, policies and project assessment criteria. The Council also prioritizes ARDI funding and approves eligible project proposals. The ARDI Program Council is an independent committee with representatives from the agriculture and agri-food sector, along with federal and provincial non-voting members.

The Manitoba Association of Agricultural Societies (MAAS) carries out the day-to-day administration of ARDI. MAAS accepts and coordinates funding proposals and administers the disbursement of funds. Manitoba Agriculture Program Advisors provide advisory assistance to MAAS and the ARDI Program Council, by facilitating assessments of eligible project proposals on behalf of the Council.

In 1999/2000, ARDI helped to fund many diverse projects in the following eligible categories:

- commodities that are well-established and present additional growth or development opportunities;
- commodities that are new or alternative and present opportunities for development in Manitoba;
- innovative development of machinery or equipment for production or processing enhancement;
- biotechnology;
- sustainability of the resource base and the environment; and
- other innovative proposals.

7 (a) Agri-Food Research and Development Initiative

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments	1,703.0		2,600.0	(897.0)	1
TOTAL EXPENDITURES	1,703.0		2,600.0	(897.0)	

1. *The variance under authority was the result of funding a transfer to the Agricultural Sustainability Initiative in support of the Agrometeorological Centre of Excellence and the rural weather station network.*

Agricultural Sustainability Initiative – Covering New Ground (7b)

The former Federal-Provincial Canada-Manitoba Agreement on Agricultural Sustainability (CMAAS) terminated December 31, 1998.

On June 16, 1998 Treasury Board approved the Covering New Ground Program at $1.2 million annually with the opportunity of funding for five years.

Covering New Ground funds activities in three specific areas: sustainable crop management; sustainable forage/livestock management; and integrated pest management with a goal of developing on-farm management activities to address environmental challenges. Delivery of programming occurs through: local producer groups on a four-region basis; provincial based commodity and agricultural organizations; and two regional crop diversification centres – the Parkland Crop Diversification Foundation and the Souris Valley Irrigation Centre.

In 1999/2000 the four regions delivered programming totaling approximately $560,000.

The Southwest Region, through 15 local delivery groups, undertook 31 projects. Areas targeted for activity included: crop silage production; forage production involving demonstration plots, native grazing management, rotational grazing, and forage burnoff; leafy spurge management; crop agronomics/economics involving small scale demonstration; pea and bean production extension; benefits of hog manure demonstration; and development of beef supplementation strategies.

Six local groups delivered 90 projects in the Northwest Region. A large number of the projects dealt with pasture management, including rotational, swath and complementary grazing, pasture renovation practices, hay testing and management for quality. Other projects included: new crop demonstrations; pest management field days; fly tunnels for livestock pest control; and herbicide resistance surveys.

Approximately 56 Central Region projects were undertaken by 15 local delivery groups. The main focus of these projects was the establishment of producer directed demonstration and diagnostic sites such as Checkstrips, Forages for the Future, and New Crop Adaptation. A study of agricultural land use impacts on water quality and quantity was also undertaken. Other regional activities included forage tours and field days, the manure management tour, manure watershed run-off study, deep nitrate remediation trials, feed testing, leafy spurge biocontrol releases, and bean information days.

The Eastern/Interlake Region, through nine local delivery groups, undertook and coordinated 66 projects. Activities included: examining new crops and fall seeded crops, fertilizer value of manure on forages and annual crops, deep soil nitrate investigations, drainage schools, grazing management, field days addressing haying, tillage and combine equipment, livestock production, forage marketing, and alfalfa sampling.

Twenty provincial organizations, with the support of Manitoba Agriculture staff, carried out a wide range of activities funded at $320,000. Projects addressed areas such as potato late blight forecasting, irrigation water management, pest management of corn, berry and new special crops, agronomic practices for production of new crops including hemp and a range of medicinal crops including native species, manure management, zero and reduced tillage practices including winter wheat, forage crop management including disease control, pasture production, and high quality hay production.

The two regional crop diversification centres in Melita and Roblin conducted 51 different trials dealing with crop diversification opportunities including irrigated crop production. Funding for the two centres was approximately $150,000.

Communication of activities occurred through newsletters, radio interviews, news releases and articles, seminars, workshops, field days, fact sheets, guides, reports and other extension materials.

7 (b) Agricultural Sustainability Initiative

Expenditures by Sub-Appropriation	**Actual 1999/2000 $ (000's)**	**Estimate 1999/2000 FTE**	**Estimate 1999/2000 $ (000's)**	**Variance Over / (Under)**	**Expl. No.**
Other Expenditures	1,997.6		1,200.0	797.6	1
TOTAL EXPENDITURES	1,997.6		1,200.0	797.6	

1. *The variance over authority was mainly the result of additional funding authorized for the Agrometeorological Centre of Excellence and the rural weather station network.*

Grant to University of Manitoba (7c)

The objective of the University of Manitoba grant is to support Faculty of Agricultural & Food Sciences research, with projects primarily aimed at enhancing the productivity and growth of Manitoba's agriculture and food sector. The grant financially assists the Glenlea Research Station and research projects conducted by the Faculty.

Manitoba Agriculture and Food funding represents a significant proportion of total government and corporate contributions for research activities of the Faculty. Various departments within the Faculty received grant monies to assist in their research activities. The Department's grant is important in supporting the Faculty's research aimed at diversifying and sustaining the agri-food industry.

The Department's grant is a valuable resource to the Faculty in assisting it to attract additional outside funding for agricultural research. More specifically, the Department grant serves as a valuable leverage factor in attracting additional resource commitments from other organizations.

7 (c) Grant to the University of Manitoba

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments	768.3		768.3	-	
TOTAL EXPENDITURES	768.3		768.3	-	

Grant to the Prairie Agricultural Machinery Institute (7d)

The Department provides financial support to the Prairie Agricultural Machinery Institute (PAMI) for conducting agricultural research, development and testing of farm equipment and technology aimed at enhancing the productivity and income of Manitoba's agricultural producers. PAMI operates out of Portage la Prairie, Manitoba and Humboldt, Saskatchewan. It is financially supported through an agreement between the Province of Manitoba and the Province of Saskatchewan.

PAMI applies technology as a tool for economic development through client-driven activities. These activities support the province's priorities for international competition, diversification and value-added processing, livestock production, risk management, environment production, environment protection and farm safety.

Through its practical research and development, PAMI plays an important role in technology transfer to assist producers and the industry to improve their operations.

7 (d) Grant to the Prairie Agricultural Machinery Institute

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
-Grants/Transfer Payments	332.5		332.5	-	
TOTAL EXPENDITURES	332.5		332.5	-	

Agricultural Income Disaster Assistance (8)

The Agricultural Income Disaster Assistance (AIDA) program is a safety net that helps farmers during periods of significant income declines. AIDA assistance is provided when a farmer's income (gross margin) drops below 70% of his or her historical average. The AIDA agreement was signed in 1999, and covers a farmer's 1998 and 1999 tax years.

The Province of Manitoba pays 40% of the administration costs and 40% of the payments for all program elements with the exception of negative margins. The federal government covers the remaining costs. The Province of Manitoba's contribution to AIDA for both years (1998/1999) of support is recorded in the 1999/2000 fiscal year.

In the 1998 tax year, 2,945 farmers in Manitoba received an AIDA payment. Total payments were $56.3 million (averaging $19,087 per farmer) of which Manitoba's share is $19.8 million.

For the 1999 tax year, farmers can apply for AIDA assistance until September 1, 2000. Payment levels will not be available until processing of the applications is completed.

8 Agricultural Income Disaster Assistance

Expenditures by Sub-Appropriation	**Actual 1999/2000 $ (000's)**	**Estimate 1999/2000 FTE**	**Estimate 1999/2000 $ (000's)**	**Variance Over / (Under)**	**Expl. No.**
-Grants/Transfer Payments	67,108.5		12,000.0	55,108.5	1
TOTAL EXPENDITURES	67,108.5		12,000.0	55,108.5	

1. *The variance over authority was the result of a) an additional $9.1 million for Manitoba's 40% share of the Agricultural Income Disaster Assistance (AIDA) program for the 1998 tax year, b) $22.4 million for recognition of the AIDA commitments in respect of the 1999 tax year and c) $23.6 million for enhancements to the Federal/Provincial AIDA program.*

Amortization of Capital Assets (9)

Standard accounting practices in accordance with the Canadian Institute of Chartered Accountants require expenditures on tangible capital assets be amortized over the useful life of the asset. The cost of the capital assets are therefore recorded in Capital Investment (Part B) and then as an operating expense (Part A) over the periods of service provided by the assets.

In 1999/2000 the Department amortized tangible capital assets that included machinery and equipment, as well as the Department's share of the Desktop Management and Better Methods Initiative's costs. This included amortization on assets acquired during 1999/2000 (identified in Part B: Capital Investments) and existing assets as well. Tangible capital assets acquired during the year, with a value less than the accepted capitalization limit, were expensed in their respective operating areas.

9 Amortization of Capital Assets

Expenditures by Sub-Appropriation	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
Other Expenditures	725.8		743.1	(17.3)	
TOTAL EXPENDITURES	725.8		743.1	(17.3)	

Canada-Manitoba Adjustment Program (10)

The Canada-Manitoba Adjustment Program (CMAP) provides producers of grains, oilseeds and specialty crops with a one-time payment to help farmers adjust to the elimination of transportation subsidies during a period of low commodity prices.

CMAP provides $100 million of assistance, of which the Government of Canada contributes $60 million, and the Province of Manitoba contributes $40 million. The funds are distributed to farmers based on a percentage of their average historic qualifying grain sales. The average sales are limited to a maximum of $125,000 for individuals and $625,000 for a corporation. Preliminary estimates indicate that 19,500 farmers will receive a payment, which will be approximately 8% of each farmer's average qualifying sales. This provides $10,000 per individual farmer or $50,000 for corporations that have qualifying sales at the maximum level.

10 Canada - Manitoba Adjustment Program

Expenditures by Sub-Appropriation	**Actual 1999/2000 $ (000's)**	**Estimate 1999/2000 FTE**	**Estimate 1999/2000 $ (000's)**	**Variance Over / (Under)**	**Expl. No.**
-Grants/Transfer Payments	40,000.0			40,000.0	1
TOTAL EXPENDITURES	40,000.0		-	40,000.0	

1. *The variance over authority was the result of the introduction of this program in 1999/2000 to assist producers in adjusting to the elimination of transportation subsidies in light of very low grain prices.*

PART B

CAPITAL INVESTMENTS

INFORMATION

Part B - Capital Investment

Capital investment provides for the acquisition of equipment. For more information on Tangible Capital Assets and their amortization see Vote 9.

Part B - Capital Investment

	Actual 1999/2000 $ (000's)	Estimate 1999/2000 FTE	Estimate 1999/2000 $ (000's)	Variance Over / (Under)	Expl. No.
Capital Investment	118.5	-	13.0	105.5	1
TOTAL	118.5	-	13.0	105.5	

1. *The variance over authority was the result of the purchasing of two additional assets that required replacing by year – end.*

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary
for the year ended March 31, 2000 with comparative figures for the previous year

Actual 1999/2000 $ (000's)	Actual 1998/99 $ (000's)	Increase (Decrease) $ (000's)	Expl. No.	Appropriation	1999/2000 Actual $ (000's)	1999/2000 Estimate $ (000's)	Variance Over(Under) $ (000's)	Expl. No.
				03-1 Administration and Finance				
27.0	26.1	0.9		(a) Minister's Salary	27.0	27.0	-	
				(b) Executive Support:				
450.8	410.9	39.9		(1) Salaries and Employee Benefits	450.8	469.3	(18.5)	
76.0	68.2	7.8		(2) Other Expenditures	76.0	68.3	7.7	
65.7	79.7	(14.0)		(3) Policy Studies	65.7	71.2	(5.5)	
				(c) Financial and Administrative Services:				
742.5	825.8	(83.3)		(1) Salaries and Employee Benefits	742.5	756.0	(13.5)	
495.4	525.1	(29.7)		(2) Other Expenditures	495.4	542.5	(47.1)	
				(d) Information Technology Services:				
373.3	293.2	80.1		(1) Salaries and Employee Benefits	373.3	383.1	(9.8)	
69.0	47.2	21.8		(2) Other Expenditures	69.0	58.8	10.2	
				(e) Human Resource Management Services:				
258.4	219.2	39.2		(1) Salaries and Employee Benefits	258.4	265.9	(7.5)	
50.7	45.6	5.1		(2) Other Expenditures	50.7	50.7	-	
2,608.8	2,541.0	67.8		Total 03-1	2,608.8	2,692.8	(84.0)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the year ended March 31, 2000 with comparative figures for the previous year

Actual								
1999/2000 $ (000's)	1998/99 $ (000's)	Increase (Decrease) $ (000's)	Expl. No.	Appropriation	1999/2000 Actual $ (000's)	1999/2000 Estimate $ (000's)	Variance Over(Under) $ (000's)	Expl. No.
				03-2 Risk Management & Income Support Programs				
				(a) Manitoba Crop Insurance Corporation				
3,359.4	3,223.6	135.8		(1) Administration	3,359.4	4,312.6	(953.2)	*
27,168.0	29,782.2	(2,614.2)	1	(2) Premiums	27,168.0	29,600.0	(2,432.0)	*
934.4	692.5	241.9	2	(3) Wildlife Damage Compensation	934.4	1,000.0	(65.6)	
19,775.1	18,506.0	1,269.1	3	(b) Net Income Stabilization Account	19,775.1	18,500.0	1,275.1	*
51,236.9	52,204.3	(967.4)		Total 03-2	51,236.9	53,412.6	(2,175.7)	
8,732.6	7,477.6	1,255.0	4	**03-3 Manitoba Agricultural Credit Corporation**	8,732.6	9,455.3	(722.7)	*
8,732.6	7,477.6	1,255.0		Total 03-3	8,732.6	9,455.3	(722.7)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the year ended March 31, 2000 with comparative figures for the previous year

Actual		Increase	Expl.		1999/2000	1999/2000	Variance	Expl.
1999/2000 $ (000's)	1998/99 $ (000's)	(Decrease) $ (000's)	No.	Appropriation	Actual $ (000's)	Estimate $ (000's)	Over(Under) $ (000's)	No.
				03-4 Agricultural Development and Marketing				
				(a) Marketing and Farm Business Management:				
1,723.4	1,564.0	159.4		(1) Salaries and Employee Benefits	1,723.4	1,797.9	(74.5)	
1,269.2	1,402.3	(133.1)		(2) Other Expenditures	1,269.2	1,231.8	37.4	
349.6	346.9	2.7		(3) Agricultural Societies Grant Assistance	349.6	368.4	(18.8)	
79.1	122.6	(43.5)		(4) Other Grant Assistance	79.1	82.6	(3.5)	
				(b) Animal Industry:				
1,611.1	1,595.0	16.1		(1) Salaries and Employee Benefits	1,611.1	1,667.5	(56.4)	
454.2	436.0	18.2		(2) Other Expenditures	454.2	459.2	(5.0)	
				(c) Veterinary Services:				
1,833.8	1,730.9	102.9		(1) Salaries and Employee Benefits	1,833.8	1,823.9	9.9	
722.8	796.3	(73.5)		(2) Other Expenditures	722.8	709.0	13.8	
511.2	467.1	44.1		(3) Grant Assistance - Operating	511.2	467.1	44.1	
597.4	297.8	299.6	5	(4) Grant Assistance - Capital	597.4	600.0	(2.6)	
(296.3)	-	(296.3)	6	(5) Less: Recoverable from Capital Initiatives	(296.3)	(300.0)	3.7	
				(d) Soils & Crops:				
2,378.8	2,331.3	47.5		(1) Salaries and Employee Benefits	2,378.8	2,580.6	(201.8)	
999.4	826.4	173.0		(2) Other Expenditures	999.4	919.7	79.7	
436.5	423.8	12.7		(e) Irrigation Development	436.5	822.5	(386.0)	•
1,233.4	912.4	321.0	7	(f) Food Development Centre	1,233.4	912.4	321.0	•
13,903.6	13,252.8	650.8		Total 03-4	13,903.6	14,142.6	(239.0)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the year ended March 31, 2000 with comparative figures for the previous year

Actual 1999/2000 $ (000's)	Actual 1998/99 $ (000's)	Increase (Decrease) $ (000's)	Expl. No.	Appropriation	1999/2000 Actual $ (000's)	1999/2000 Estimate $ (000's)	Variance Over(Under) $ (000's)	Expl. No.
				03-5 Regional Agricultural Services				
				(a) Northwest Region:				
2,038.5	2,040.4	(1.9)		(1) Salaries and Employee Benefits	2,038.5	2,083.9	(45.4)	
813.6	722.9	90.7		(2) Other Expenditures	813.6	816.4	(2.8)	
				(b) Southwest Region:				
2,401.4	2,280.7	120.7		(1) Salaries and Employee Benefits	2,401.4	2,320.1	81.3	
722.9	605.9	117.0		(2) Other Expenditures	722.9	711.5	11.4	
				(c) Central Region:				
2,207.5	2,124.8	82.7		(1) Salaries and Employee Benefits	2,207.5	2,240.1	(32.6)	
721.4	605.5	115.9		(2) Other Expenditures	721.4	711.0	10.4	
				(d) Eastern/Interlake Region:				
3,067.0	3,032.9	34.1		(1) Salaries and Employee Benefits	3,067.0	3,229.1	(162.1)	
1,194.7	1,046.2	148.5		(2) Other Expenditures	1,194.7	1,238.9	(44.2)	
				(e) Agricultural Crown Lands:				
642.2	604.9	37.3		(1) Salaries and Employee Benefits	642.2	614.8	27.4	
278.3	231.1	47.2		(2) Other Expenditures	278.3	278.3	-	
14,087.5	13,295.3	792.2		Total 03-5	14,087.5	14,244.1	(156.6)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the year ended March 31, 2000 with comparative figures for the previous year

Actual 1999/2000 $ (000's)	Actual 1998/99 $ (000's)	Increase (Decrease) $ (000's)	Expl. No.	Appropriation	1999/2000 Actual $ (000's)	1999/2000 Estimate $ (000's)	Variance Over(Under) $ (000's)	Expl. No.
				03-6 Policy and Economics				
				(a) Economics:				
1,115.5	975.0	140.5	8	(1) Salaries and Employee Benefits	1,115.5	1,123.5	(8.0)	
297.1	248.8	48.3		(2) Other Expenditures	297.1	271.2	25.9	
				(b) Boards and Commissions Support Services:				
378.7	368.8	9.9		(1) Salaries and Employee Benefits	378.7	392.7	(14.0)	
572.1	499.4	72.7		(2) Other Expenditures	572.1	509.8	62.3	
2,363.4	2,092.0	271.4		Total 03-6	2,363.4	2,297.2	66.2	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the year ended March 31, 2000 with comparative figures for the previous year

Actual 1999/2000 $ (000's)	Actual 1998/99 $ (000's)	Increase (Decrease) $ (000's)	Expl. No.	Appropriation	1999/2000 Actual $ (000's)	1999/2000 Estimate $ (000's)	Variance Over(Under) $ (000's)	Expl. No.
				03-7 Agriculture Research and Development				
1,703.0	6,500.0	(4,797.0)	9	(a) Agri-Food Research and Development Initiative	1,703.0	2,600.0	(897.0)	*
1,997.6	1,185.1	812.5	10	(b) Agricultural Sustainability Initiative	1,997.6	1,200.0	797.6	*
768.3	768.3	-		(c) Grant to the University of Manitoba	768.3	768.3	-	
332.5	332.5	-		(d) Grant to the Prairie Agricultural Machinery Institute	332.5	332.5	-	
4,801.4	8,785.9	(3,984.5)		Total 03-7	4,801.4	4,900.8	(99.4)	

Appendix A
Manitoba Agriculture and Food
Part A - Program Expenditure Summary

for the year ended March 31, 2000 with comparative figures for the previous year

Actual 1999/2000 $ (000's)	Actual 1998/99 $ (000's)	Increase (Decrease) $ (000's)	Expl. No.	Appropriation	1999/2000 Actual $ (000's)	1999/2000 Estimate $ (000's)	Variance Over(Under) $ (000's)	Expl. No.
67,108.5	-	67,108.5	11	**03-8 Agricultural Income Disaster Assistance**	67,108.5	12,000.0	55,108.5	*
67,108.5	-	67,108.5		Total 03-8	67,108.5	12,000.0	55,108.5	
725.8	-	725.8	12	**03-9 Amortization of Capital Assets**	725.8	743.1	(17.3)	
725.8	-	725.8		Total 03-9	725.8	743.1	(17.3)	
40,000.0	-	40,000.0	13	**03-10 Canada - Manitoba Adjustment Program**	40,000.0	-	40,000.0	*
40,000.0	-	40,000.0		Total 03-10	40,000.0	-	40,000.0	
205,568.5	99,648.9	105,919.6		**TOTAL: DEPARTMENT OF AGRICULTURE & FOOD**	205,568.5	113,888.5	91,680.0	

Note: Sustainable Development Innovations Fund (SDIF) allocated $224.9 in 1999/2000 for nine SDIF projects directed toward sustainable development within Agriculture and Food. See the Sustainable Development Innovations Fund 1999/2000 Annual Report for further information.

* Explanations for these variances can be found in the respective sub-appropriation detail.

Explanation Number

1 The decrease in Premiums of ($2,614.2) was mainly the result of approximately 800,000 fewer acres being insured in 1999 due to the excess moisture in the Southwest portion of the province.

2. The increase in Wildlife Damage Compensation of $241.9 was mainly the result of an overall increase in the number of claims and the average cost per claim caused by the late harvest in certain areas of the province.

3. The increase in Net Income Stabilization Account of $1,269.1 was mainly the result of an increase in eligible net sales and participation.

4. The increase in Manitoba Agricultural Credit Corporation of $1,255.0 was mainly the result of the:

   a) $205.9 increase in Administration which was mainly due to i) increased staffing costs related to ongoing activity increases and portfolio growth and ii) increased computer costs due to field connectivity.

   b) $475.9 increase in Net Interest and Loan Guarantees which was mainly due to i) decrease in income from properties (sales and leases), ii) increased net interest income due to substantial growth in the loan portfolio, iii) decrease in Young Farmer Rebate due to the loan payment deferral program and iv) decrease due to recognizing the $698.0 balance of the Western Grain Transportation Payment program as revenue in 1998/99.

   c) ($588.9) decrease in Provision for Impaired Loans which was mainly due to fewer requirements for undersecured loans.

   d) ($578.8) decrease in Flood Proofing Loan Assistance which was mainly due to i) program activity winding down, ii) reduced interest costs and iii) reduced outstanding loan balances resulting in a decreased valuation allowance.

   e) $1,723.3 increase in Manitoba Producers' Recovery Program which was mainly due to full-year costs of the January 1999 program being realized.

5. The increase in Veterinary Services – Grant Assistance – Capital of $299.6 was mainly the result of the introduction of a capital grant program for upgrading infrastructure in rural clinics to meet the demand from the expanding livestock industry.

6. The increase in Veterinary Services – Less: Recoverable from Capital Initiatives of ($296.3) was the recovery from the government's Capital Initiative fund as the result of the introduction of a capital grant program for upgrading infrastructure in rural clinics.

7. The increase in Food Development Centre of $321.0 was the result of recording the centre's accumulated operating deficit.

8. The increase in Economics – Salaries of $140.5 was mainly the result of a reduction in staff assistance and corresponding recovery from Manitoba Crop Insurance Corporation.

9. The decrease in Agri – Food Research and Development Initiative of ($4,797.0) was mainly the result of a reduction in available funding under the companion program component of safety net funds.

10. The increase in Agricultural Sustainability Initiative of $812.5 was mainly the result of funding provided in 1999/2000 in support of the Agrometeorological Centre of Excellence and the rural weather station network.

11. The increase in Agricultural Income Disaster Assistance (AIDA) of $67,108.5 was the result of the introduction of the Disaster Assistance Program, recording Manitoba's 40% share of the AIDA program for the 1998 tax year and $22.4 million for the 1999 tax year and $23.6 million for enhancements.

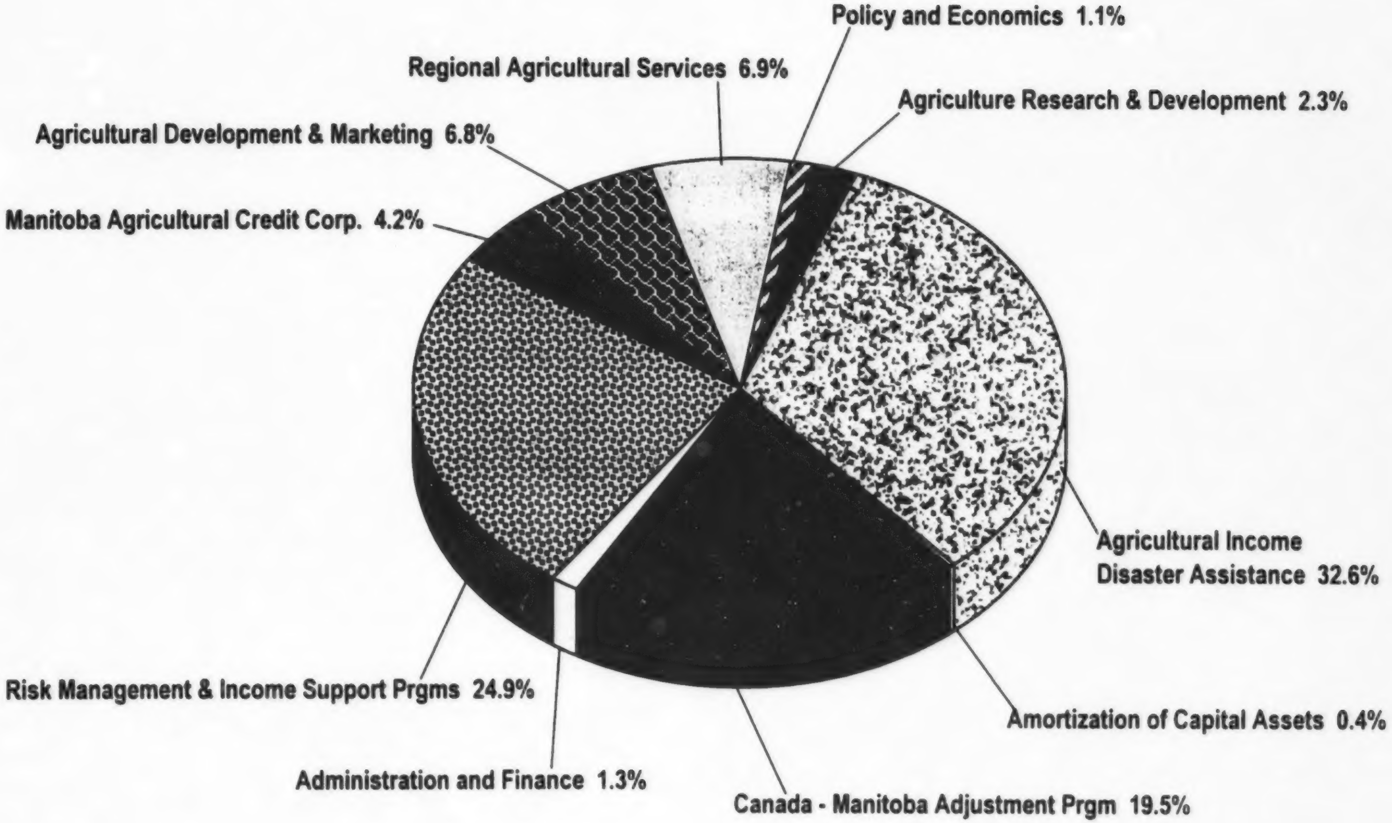
Explanation Number

12. *The increase in Amortization of Capital Assets of $725.8 was the result of a change in accounting policy for tangible capital assets for the 1999/2000 period. An annual amortization charge for tangible capital assets is included in expenditure appropriations until the cost of the asset is fully amortized.*

13. *The increase in Canada – Manitoba Adjustment Program of $40,000.0 was the result of the introduction of this program in 1999/2000 to assist producers in adjusting to the elimination of transportation subsidies in light of very low grain prices.*

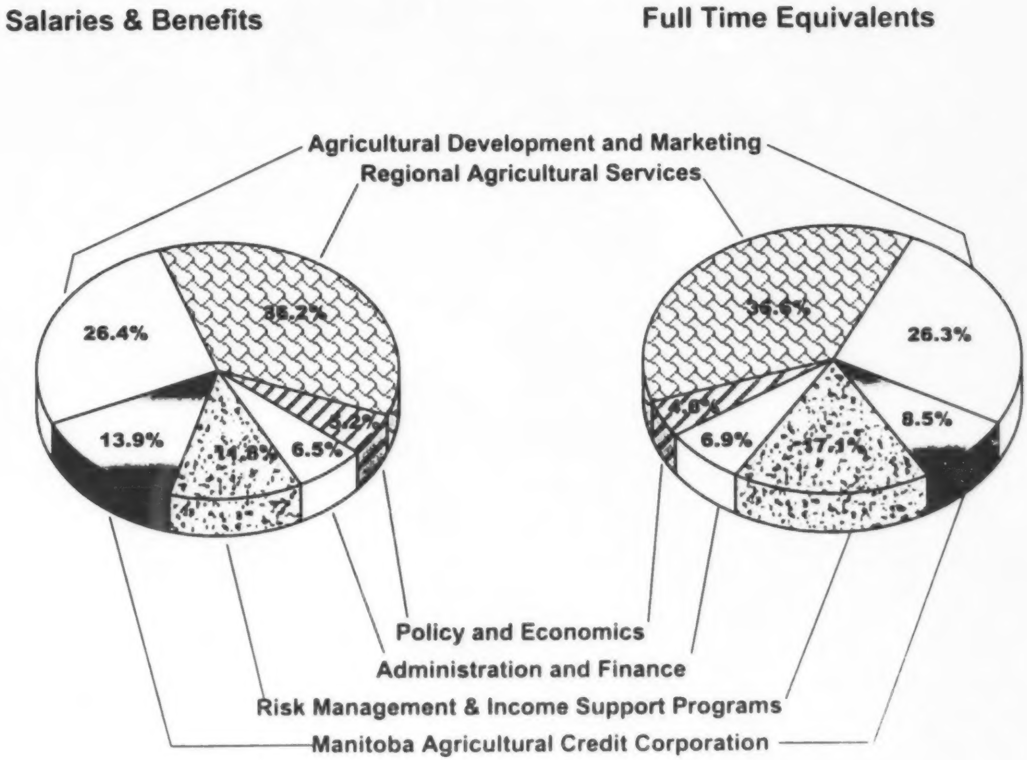
Manitoba Agriculture and Food

Distribution by Main Appropriation 1999/2000 Expenditures



Manitoba Agriculture and Food

Percentage Distribution of Salaries & Benefits and Full Time Equivalents - 1999/2000



Appendix A
Manitoba Agriculture and Food
Part B - Capital Investment Summary

for the year ended March 31, 2000

Actual 1999/2000 $ (000's)	Actual 1998/99 $ (000's)	Increase (Decrease) $ (000's)	Expl. No.	Appropriation	1999/2000 Actual $ (000's)	1999/2000 Estimate $ (000's)	Variance Over(Under) $ (000's)	Expl. No.
118.5	-	118.5	1	**Capital Investment**	118.5	13.0	105.5	*
118.5	-	118.5		Total	118.5	13.0	105.5	

* Explanation for this variance can be found in Part B - Capital Investment.

1. *The increase in Capital Investment of $118.5 was the result of a change in accounting policy for tangible capital assets for the 1999/2000 period. Tangible capital assets are reflected in a separate component of Estimates – Part B Capital Investment rather than individual departments operating estimates.*

Appendix A
Manitoba Agriculture and Food
Revenue Summary By Source

for the year ended March 31, 2000 with comparative figures for the previous fiscal year

Actual 1999/2000 $ (000's)	Actual 1998/99 $ (000's)	Increase (Decrease) $ (000's)	Expl. No.	Source	1999/2000 Actual $ (000's)	1999/2000 Estimate $ (000's)	Variance Over(Under) $ (000's)	Expl. No.
				CURRENT OPERATING PROGRAMS:				
				Government of Canada:				
22.7	20.7	2.0		4-H Programs	22.7	20.7	2.0	
8.2	6.8	1.4		Rabies Indemnity	8.2	3.8	4.4	5
22,400.0	-	22,400.0	1	Agriculture Income Disaster Assistance	22,400.0	-	22,400.0	6
22,430.9	27.5	22,403.4		Sub-Total	22,430.9	24.5	22,406.4	
				Other Revenue:				
2,207.9	1,664.3	543.6	2,3	(a) Fees	2,207.9	2,164.0	43.9	
4,025.4	620.9	3,404.5	4	(b) Sundry	4,025.4	4,268.5	(243.1)	7
6,233.3	2,285.2	3,948.1		Sub-Total	6,233.3	6,432.5	(199.2)	
28,664.2	2,312.7	26,351.5		Total Current Operating Programs	28,664.2	6,457.0	22,207.2	
-	-	-		REVENUES RELATED TO CAPITAL:	-	-	-	
28,664.2	2,312.7	26,351.5		Total Revenue	28,664.2	6,457.0	22,207.2	

Explanation Number

1. The increase for Government of Canada – Agriculture Income Disaster Assistance of $22,400.0 was the result of an accrual recorded for the Federal 1999 tax year Agricultural Income Disaster Assistance (AIDA) commitments that the province paid through Manitoba Farm Disaster Assistance Program (MFDAP).

2. The increase for Other Revenue – Fees of $543.6 was mainly the result of:
   - a) $553.5 increase due to 1998/99 adjustment for a past error in Crown Lands' accounts receivable.
   - b) ($ 61.3) decrease due to reduced Veterinary Diagnostic business because of traffic restrictions (during the Pan American games) and the excess moisture conditions mainly in the Southwest portion of the province.
   - c) $ 40.1 increase due to a) increases in the number of applications for pesticide Dealers and Applicators and b) Farm Machinery Dealers and Vendors Licenses which are now collected every two years with the last 2 year period collected in 1999/2000.

3. The following Fee rate changes were implemented during the 1999/2000 fiscal year:
   - a) Lease Rentals – Crown Lands: Effective January 1, 1999 from $1.52 to $1.56.
   - b) Agricultural Licenses – Animal Care Act: Effective August 1, 1998 introduction of licensing of dog/cat breeders and kennels at a rate of $100.00 every 3 years.

4. The increase for Other Revenue - Sundry of $3,404.5 was mainly the result of:
   - a) $3,886.0 increase due to recording the remaining provincial share of the Gross Revenue Insurance Plan (GRIP) as revenue during 1999/2000.
   - b) ($ 398.0) decrease due to the conclusion of the National Tripartite Stabilization Plan (NTSP) program and only $75.7 in further revenue.
   - c) ($ 86.5) decrease due to deferral of the planned dispersal of captured elk in 1999/2000.

5. The variance over estimate for Government of Canada – Rabies Indemnity of $4.4 was the result of a marked rise in occurrence of rabies in wild animals resulting in more cases in domestic animals in the 1999/2000 fiscal year than anticipated.

6. The variance over estimate for Government of Canada – Agriculture Income Disaster Assistance of $22,400.0 was the result of an accrual recorded for the Federal 1999 tax year AIDA commitments that the province paid through MFDAP.

7. The variance under estimate for Other Revenue - Sundry of ($243.1) was mainly the result of:
   - a) $ 340.0 for the interest accumulated on the GRIP surplus to March 31, 2000.
   - b) ($669.8) for the Elk Farming Program. Captured elk were not dispersed as planned in 1999/2000.
   - c) $ 75.7 for the province's additional share of the surplus in the NTSP account.

Appendix B
Manitoba Agriculture and Food
Five Year Expenditure and Staffing Summary by Appropriation

for years ending March 31, 1996 - March 31, 2000

Appropriation		Actual / *Adjusted Expenditures									
		1995/96		1996/97		1997/98		1998/99		1999/2000	
		FTE	$ (000's)	FTE	$ (000's)	FTE	$ (000's)	FTE	$ (000's)	FTE	$ (000's)
03-1	Administration & Finance	37.88	2,499.7	40.00	2,494.8	37.39	2,491.5	37.39	2,541.0	39.39	2,608.8
03-2	Risk Management and Income Support Programs	88.00	53,938.8	88.00	47,903.6	88.00	52,731.2	88.00	52,204.3	98.00	51,236.9
03-3	Manitoba Agricultural Credit Corporation	49.00	7,309.1	49.00	5,649.1	49.00	7,675.7	49.00	7,477.6	49.00	8,732.6
03-4	Agricultural Development & Marketing	(1) 148.69	11,567.5	144.14	12,161.5	153.69	12,510.6	150.73	13,252.8	151.23	13,903.6
03-5	Regional Agricultural Services	207.87	11,781.3	205.23	11,978.8	211.94	12,554.6	213.87	13,295.3	210.87	14,087.5
03-6	Policy & Economics	24.19	1,847.1	25.00	2,007.1	26.19	2,043.5	27.19	2,092.0	26.19	2,363.4
03-7	Agriculture Research and Development	-	2,355.4	-	2,388.3	-	5,752.8	-	8,785.9	-	4,801.4
03-8	Agricultural Income Disaster Assistance	-	-	-	-	-	-	-	-	-	67,108.5
03-9	Amortization of Capital Assets	-	-	-	-	-	-	-	-	-	725.8
03-10	Canada - Manitoba Adjustment Program	-	-	-	-	-	-	-	-	-	40,000.0
TOTAL: Department of Agriculture and Food		555.63	91,298.9	551.37	84,583.2	566.21	95,759.9	566.18	99,648.9	574.68	205,568.5

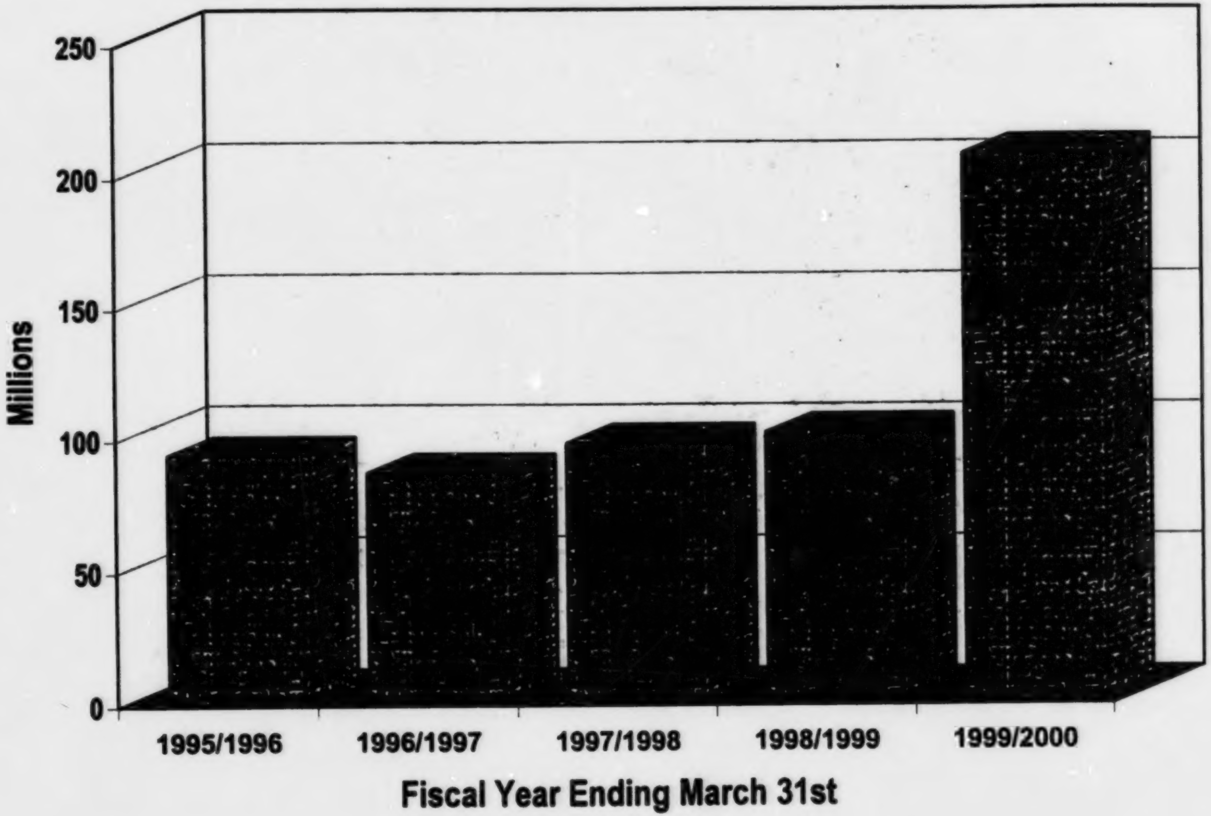
* Adjusted figures reflect historical data on a comparable basis, in those appropriations affected by a re-organization, during the years under review.

Note: 1) During 1999/2000, the Food Development Centre was transferred from the Department of Intergovernmental Affairs to the Department of Agriculture and Food. The five years of actual/adjusted expenditures above have been increased to reflect this change.

Manitoba Agriculture and Food

Five Year Expenditure History

for Years Ending March 31, 1996 to March 31, 2000



Appendix C
Manitoba Agriculture and Food
Reconciliation Statement

DETAILS	1999/2000 ESTIMATES $ (000's)
1999/2000 MAIN ESTIMATES	112,960.5
ALLOCATION OF FUNDS FROM:	
- Internal Reform, Workforce Adjustment and General Salary Increases	15.6
- Intergovernmental Affairs	912.4
1999/2000 ESTIMATES	**113,888.5**

Appendix D

Manitoba Agriculture and Food

Statutory Responsibilities of the Minister of Agriculture and Food

The Agriculture Credit Corporation Act	A 10
The Agricultural Producers' Organization Funding Act	A 18
The Agricultural Productivity Council Act	A 20
The Agricultural Societies Act	A 30
The Department of Agriculture Act	A 40
The Agrologists Act	A 50
The Animal Care Act	A 84
The Animal Diseases Act	A 85
The Animal Liability Act	A 95
The Bee Act	B 15
The Cattle Producers Association Act	C 25
The Coarse Grain Marketing Control Act	C 140
The Crop Insurance Act	C 310
The Crown Lands Act [Sections 6, 7, 10, 12(1), 14, 16, 17, 18, 21, 23, and 24 to 28 both inclusive, insofar as they relate to the administration of Crown Lands which may be designated by the Minister of Conservation as Agricultural Crown Lands, and Agricultural Crown Lands Grazing and Hay Permits Regulation (Manitoba Revised Regulation 288/88) and Forage Leases Regulation (46/88 R)]	C 340
The Dairy Act	D 10
The Family Farm Protection Act	F 15
The Farm Income Assurance Plans Act	F 30
The Farm Lands Ownership Act	F 35
The Farm Machinery and Equipment Act	F 40
The Farm Practices Protection Act	F 45
The Fruit and Vegetable Sales Act	F 180
The Horse Racing Regulation Act	H 100
The Land Rehabilitation Act	L 50
The Livestock and Livestock Products Act	L 170
The Livestock Industry Diversification Act	L 175
The Margarine Act	M 30
The Milk Prices Review Act	M 130
The Natural Products Marketing Act	N 20
The Noxious Weeds Act	N 110
The Pesticides and Fertilizers Control Act	P 40
The Plant Pests and Diseases Act [Except that portion of clause 16(c) that pertains to arborists and clause 16 (i)]	P 90
The Seed and Fodder Relief Act	S 80
The Veterinary Medical Act	V 30
The Veterinary Science Scholarship Fund Act	V 40
The Veterinary Services Act	V 50
The Wildlife Act [Section 89(e) that applies to compensation for damage to crops caused by wildlife as it pertains to big game and migratory waterfowl]	W 130
The Women's Institutes Act	W 180

Appendix E
Manitoba Agriculture and Food
Elk Management Fund

Balance Sheet

As at March 31, 2000

(with 1999 figures for comparison)

		2000	1999
Assets			
	Funds on deposit with the Province	766	59,634
	Inventory - Note 1, 3	599,246	191,453
		600,012	251,087
Liabilities and Fund Balance			
	Accumulated Fund Balance - Note 2, 3	232,524	250,487
	Loan Advance from the Province - Note 4	261,288	-
	Accounts Payable - Note 5	106,200	600
		600,012	251,087

Statement of Revenue and Expenditures

For the Year Ended March 31, 2000

(with 1999 figures for comparison)

		2000	1999
Revenue - Note 3			
	Antler Velvet	-	5,130
	Elk Manuals	-	2,650
	Sale of Elk	-	99,400
	Miscellaneous	-	3,893
	License Fees	2,700	7,100
	Course Registration	-	1,800
		2,700	119,973
Expenditures - Note 1			
	Holding	-	37,053
	Capture	-	49,816
	Feed	-	796
	Administration	16,123	19,701
	Interest	4,540	-
	Testing	-	7,553
	Veterinary	-	6,555
		20,663	121,474
Excess of Revenue over Expenditures (Deficit)		(17,963)	(1,501)

Notes to Financial Statements

For the Year Ended March 31, 2000

1. Significant Accounting Policies

(a) The financial statements of the fund are prepared using the accrual basis of accounting.

(b) Expenditures related to the capture and holding of elk is capitalized as inventory and will be expensed when the corresponding revenue, from the dispersal of the captured elk, is recognized.

(c) Captured elk in holding facilities as at March 31, 2000 remain assets of the Crown and therefore have not been included in the value of the inventory.

2. Nature of Fund

The Elk Management Fund was established under the authority of the Livestock Industry Diversification Act and the Elk Game Production Regulation. The Minister established a management fund for the purpose of funding:

(a) Programs for the protection and enhancement of elk and their habitat.
(b) The capture of elk from the wild, and their maintenance and disposition.
(c) Elk research programs and demonstration projects.
(d) Costs associated with administering the Act.

3. Sale of Elk

Due to an extended testing period mandated by the Canadian Food Inspection Agency, the elk could not be sold in 1999. Testing is expected to be complete by the Fall of 2000. There were no elk captured in 2000.

4. Loan Advance Province of Manitoba

Interest is charged at prime plus two per cent per annum. Repayment of the advances is due to the Province of Manitoba upon the sale of elk.

5. Accounts Payable

This liability is the result of an adjustment for a past error in not recognizing contractual agreements with private landowners whose lands were accessed for the capture of elk.